

# HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.



**GROUP OF COMPANIES**

## ANNUAL FINANCIAL REPORT

For the period  
from January 1, 2020 to December 31, 2020

(TRANSLATED FROM THE GREEK ORIGINAL)

In accordance with Article 4 of Law 3556/2007

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## I. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board of Directors of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.:

1. Michael Tsamaz, Chairman and Managing Director
2. Eelco Blok, Vice Chairman of the Board of Directors
3. Charalampos Mazarakis, Board Member

We confirm that to the best of our knowledge:

- a. The Annual Financial Statements (Consolidated and Separate) of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. for the period January 1, 2020 to December 31, 2020, which have been prepared in accordance with the applicable accounting standards, provide a true and fair view of the assets and liabilities, the owners' equity and the results of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. as well as of the companies included in the consolidation taken as a whole; and
- b. The Annual Report of the Board of Directors provides a true and fair view of the development, performance and the financial position of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. and of the companies included in the consolidation taken as a whole, including the description of the principal risks and uncertainties they are facing.

Maroussi, February 25, 2021

Chairman  
& Managing Director

Vice Chairman of the BoD

Board Member

Michael Tsamaz

Eelco Blok

Charalampos Mazarakis

The two members of the Board of Directors, who have signed the above statements, have been authorized to do so in accordance with the decision of the Company's Board of Directors of February 25, 2021.

## **II. ANNUAL REPORT OF THE BOARD OF DIRECTORS**

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This report of the Board of Directors of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (hereinafter referred to as “OTE” or the “Company”) has been prepared in accordance with the provisions of Articles 150-154 of Law 4548/2018, Article 4 of Law 3556/2007 and Article 2 of Decision 8/754/14.04.2016 of the Board of Directors of the Hellenic Capital Market Commission and refers to the Annual Financial Statements (Consolidated and Separate) as of December 31, 2020, and the year then ended. The OTE Group (the “Group”) apart from the Company also includes subsidiaries over which OTE has direct or indirect control. The Consolidated and Separate Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (E.U.).

This report includes the actual depiction of the progress and performance of the Company's business and its financial position, for the period from January 1, 2020 to December 31, 2020, its objectives and its strategy, the significant events which took place in 2020, as well as the most significant events following the year end. The report also contains a description of the main risks and uncertainties for the next year, the non-financial report, the Corporate Governance statement, the material transactions with the Company's and the Group's related parties and additional information as required by applicable law.

OTE's Financial Statements (consolidated and company statements), Auditor's Report on the Financial Statements and the Annual Report of the Board of Directors of OTE S.A may be found on the following link:

[https://www.cosmote.gr/cs/otegroup/en/oikonomikes\\_katastaseis\\_omilou\\_ote\\_kai\\_ae.html](https://www.cosmote.gr/cs/otegroup/en/oikonomikes_katastaseis_omilou_ote_kai_ae.html)

Furthermore, the Financial Statements and the Auditors' Reports on the Financial Statements of the OTE Group consolidated companies that are not listed on the stock exchange (in accordance with Capital Markets Board of Director's decision 8/754/14.04.2016) may be found on the following link:

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

The amounts in this report are presented in millions of Euro, except when otherwise indicated.

## A. FINANCIAL AND OPERATIONAL HIGHLIGHTS OF 2020

Group Revenues	2020	2019	Change
Greece	2,939.7	2,943.4	-0.1%
Romania mobile	350.4	386.0	-9.2%
Eliminations	(31.2)	(26.4)	+18.2%
<b>OTE GROUP</b>	<b>3,258.9</b>	<b>3,303.0</b>	<b>-1.3%</b>

Group Adjusted EBITDA After Lease (AL)*	2020	2019	Change
Greece	1,199.1	1,211.8	-1.0%
<i>Margin (%)</i>	<i>40.8%</i>	<i>41.2%</i>	<i>-0.4pp</i>
Romania mobile	24.5	18.3	+33.9%
<i>Margin (%)</i>	<i>7.0%</i>	<i>4.7%</i>	<i>+2.3pp</i>
<b>OTE GROUP</b>	<b>1,223.6</b>	<b>1,230.1</b>	<b>-0.5%</b>
<i>margin (%)</i>	<i>37.5%</i>	<i>37.2%</i>	<i>+0.3pp</i>

\* Alternative Performance Measures: For details on purpose and calculations refer to Section [K. Alternative Performance Measures Section](#)

*Note: All figures (apart from Balance Sheet of 2019) adjusted to reflect only continuing operations; Albanian operations treated as discontinued operations in 2019. TELEKOM ROMANIA operations have been classified as held for sale and have been treated as discontinued operations. Furthermore, certain significant commercial transactions (MVNO agreement and handset sales) that exist between TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE (Romania mobile) will not continue after the completion of the sale of TELEKOM ROMANIA. In this context, part of TELEKOM ROMANIA MOBILE's operations have been also classified as discontinued operations.*

OTE Group's consolidated revenues totaled to Euro 3,258.9 in 2020, 1.3% down compared to 2019. On a country basis, Greece total revenues posted a slight decrease of 0.1% to Euro 2,939,7 despite the negative impact of the COVID-19 crisis on customers, tourism, and the Greek economy. Solid performance in Broadband and ICT contributed to the resilience of the top line. Fixed Retail Services revenues increased by 0.3% supported by the remarkable take up of fiber services more than offsetting pressure on the TV segment mainly due to COVID-19 lockdowns. Mobile Service revenues in Greece were down 4.3% in 2020 due to mobility and travel restrictions imposed resulting from the COVID-19 crisis. In addition regulatory cuts in mobile termination rates implemented early in 2020 negatively affected mobile service revenues. Revenues from wholesale business in Greece were also up by 1.4% reflecting mainly total market acceleration in fiber adoption.

In Romania mobile, total revenues reached Euro 350.4 in 2020, decreased by 9.2% compared to 2019 as a result of the pandemic crisis.

Total Operating Expenses for the Group, excluding depreciation, amortization, impairment and charges related to voluntary leave schemes, other restructuring costs and non-recurring litigations amounted to Euro 1,958.6 in 2020, posting a decrease of 1.6%, compared to 2019. The decrease reflects the disciplined cost management across the Group and the beneficial impact of the implemented voluntary leave schemes.

The Group's Adjusted EBITDA After Lease (AL) amounted to Euro 1,223.6, down just 0.5%, nearly offsetting drastic travel and mobility restrictions. In Greece, Adjusted EBITDA After Lease (AL) decreased by 1.0% reaching Euro 1,199.1 and the respective margin stood at 40.8% despite the significant hit on roaming revenues from the absence of tourists. Romania Mobile posted a significant increase in Adjusted EBITDA After Lease (AL), up 33.9% to Euro 24.5 compared to Euro 18.3 in 2019.

Group expenses for depreciation, amortization and impairment stood at Euro 833.2, compared to Euro 804.5 in 2019. During 2020, impairment test was performed for TELEKOM ROMANIA MOBILE with respect to its carrying value. As a result of the impairment test, an impairment loss of Euro 160.0 was charged in the 2020 consolidated income statement and is included in "Depreciation, amortization and impairment" line (details in Note 9 of the Annual Financial Statements). The respective amount for 2019 stood at Euro 103.0.

The Group reported Operating profit before financial and investing activities stood at Euro 331.4, compared to Euro 456.7 in 2019. The decrease in Operating Profit mainly reflects the increase in costs related to voluntary leave schemes implemented 2020 as well as the increase in the depreciation, amortization and impairment charge.

Interest and related expenses stood at Euro 56.2, down 39.4%, mainly reflecting the favorable evolution in average cost of debt.

The Group's income tax expense stood at Euro 45.9 in 2020, decreased compared to 2019 by 50.3%, mainly reflecting higher tax effect from deductible investment losses and lower profitability in the year.

Profit for the year from continuing operations (attributable to owners of the parent) stood at Euro 263.4 in 2020, compared to Euro 336.3 recorded in 2019.

In 2020, Adjusted Free Cash Flow from continuing operations After Lease (AL) stood at Euro 655.9 increased by 38.5% compared to 2019, reflecting lower income tax and interest paid along with improvements in working capital.

The Group's Adjusted Net Debt stood at Euro 1,034 at December 31, 2020, down 1.2% compared to December 31, 2019. The Group's ratio of Adjusted Net Debt to 12-month Adjusted EBITDA (AL) stood at 0.8x.

#### **Shareholders Remuneration Policy:**

The Board of Directors approved in 2018 a new Shareholder Remuneration Policy, which on January 19, 2018 was announced as follows:

*«Provided the external and the macroeconomic environment remain stable, in the mid-term the Company intends to distribute to its shareholders, through a combination of dividend payout and Share Buyback Programs for their cancelation, the free cash flow generated every year, after incorporating the considerations for spectrum acquisitions and one-off items. The split between ordinary dividends and share buybacks is targeted approximately at 65%/ 35% respectively in 2018 and in the medium term.*

*The implementation of the Remuneration Policy will start in 2018 and will take into account the free cash flow projections for the current year, i.e. 2018, as the basis for calculating the aggregate shareholder payout. In the same way, the Remuneration Policy will be applied in the forthcoming years, i.e. the basis for calculating total shareholders' remuneration in 2019 will take into account the projections of free cash flow for 2019 and so on ».*

The implementation of the aforementioned Remuneration Policy which started in 2018, takes into account the free cash flow projections for the respective year, as the basis for calculating the aggregate shareholder payout. In this respect the basis for calculating total shareholders' remuneration in 2021 will take into account the projections of free cash flow of 2021.

Based on the current projection for 2021, the free cash flow will reach approximately the amount of Euro 480. For the part of the Shareholder remuneration corresponding to dividend distribution, the Board of Directors of OTE will propose to the Company's Annual General Meeting of the Shareholders the distribution of a dividend of Euro 0.68 (in absolute amount) per share or a total amount of Euro 312.9 be distributed. It is noted that the amount of Euro 0.68 (absolute amount) per share corresponds to 460,208,620 shares into which the share capital of the Company is divided after the cancellation of 9,965,956 own shares as approved by the Extraordinary General Meeting of Shareholders on December 4, 2020.



It is noted that the dividends corresponding to own shares that will be acquired by the Company in the context of the Own Share Buyback Program and will be owned by the Company until the ex-dividend date, will increase the dividend of the other shareholders according to the law.

It is further noted that, the remaining amount, i.e. approximately Euro 167 or 35% of the total amount to be allocated under the Shareholders' Remuneration for 2021, is proposed to be used for the buyback of Company's shares under the existing Share Buyback Program.

The current projection for 2021 does not include the free cash flow that will result from Telekom Romania Communications S.A. (TKR) operations. Following the agreement for the disposal of TKR, announced by the Company on November 9, 2020, TKR is in the sale process and the resulting free cash flow will form among others the net consideration of the disposal. The net proceeds that will result from the sale (after deducting the relevant costs for the completion of the transaction, and any other expenses) will be distributed to the shareholders in the form of extraordinary distribution following the relevant decision of the competent bodies of the Company.

This proposed distribution is subject to the pronouncements of the law 4548/2018 and the current tax legislation.

## GREECE

Financial Data	2020	2019	Change
<b>Revenues</b>	<b>2,939.7</b>	<b>2,943.4</b>	<b>-0.1%</b>
Retail Fixed Services	938.1	935.6	+0.3%
Mobile Service Revenues	913.6	954.5	-4.3%
Wholesale Services	574.7	566.7	+1.4%
Other Revenues	513.3	486.6	+5.5%
<b>Adjusted EBITDA After Lease (AL)</b>	<b>1,199.1</b>	<b>1,211.8</b>	<b>-1.0%</b>
<i>Margin %</i>	<i>40.8%</i>	<i>41.2%</i>	<i>-0.4pp</i>

Operational Data	2020	2019	Change
<b>Fixed-line business:</b>			
Fixed lines access	2,683,750	2,646,139	+1.4%
Broadband subscribers	2,145,485	2,005,613	+7.0%
<i>...of which Fiber Service</i>	<i>945,088</i>	<i>742,007</i>	<i>+27.4%</i>
TV subscribers	575,282	554,986	+3.7%
<b>Mobile business:</b>			
Mobile subscribers	6,958,767	7,395,378	-5.9%
<i>Postpaid</i>	<i>2,713,954</i>	<i>2,653,539</i>	<i>+2.3%</i>
<i>Prepaid</i>	<i>4,244,813</i>	<i>4,741,839</i>	<i>-10.5%</i>

In 2020, the Greek telecom market posted decline in revenues, mainly in mobile, in the range of 2.0% year-on-year due to pandemic crisis COVID-19 and significant restriction measures. Despite the challenging and competitive environment, the Group achieved to maintain and strengthen its leadership position in the local market and has maintained a solid adjusted EBITDA After Lease (AL) performance at the high level of 41%.

In 2020, in Greece:

- Revenues marginally lower by 0.1% year-on-year as decline in mobile revenues impacted by pandemic crisis offsetting by ongoing growth of fixed broadband and ICT.
- COSMOTE proceeded with a new major investment, being the first to bring the future of telecommunications to Greece, with the commercial launch of its 5G network in Athens, Thessaloniki and other Greek cities where in certain areas, the maximum network speeds exceed 1Gbps. The cost of the investment for the new spectrum acquired through the auction conducted by the National Telecommunications and Post Commission (EETT), amounts to Euro 123. This cost is in addition to the

investments of 2 billion euros implemented by the OTE Group in Greece during the current four years, mainly for New Generation, fixed and mobile networks.

- Consistent with our strategy of investing in enhanced customer experience, we have further developed significant new capabilities in our mobile application which enable our customers to have a single digital interface in order to manage their accounts in a convenient and user friendly way. By year end, COSMOTE managed to reach 3.3 million active mobile App users achieving 85% penetration in active base, a critical accomplishment in improving overall customer experience and enabling cost savings.
- Maintained its Business-to-Business (B2B) leadership position with a 14% revenue growth in ICT, since the Group constitutes a major Systems Integrator for businesses seeking up-to-date technology solutions.

In the total fixed services OTE accomplished a solid growth of 2.1% in revenues, maintaining its high revenue share in Greek market, as the company managed to:

- Protect its access base of 2.68 million customers, leveraging its customer-centric strategy and creating value by fulfilling the needs of households and businesses.
- Capitalize on extended NGA/FTTH footprint as well as speed enhancement campaigns, resulting in the addition of 203K fiber broadband customers. At the end of 2020 the total number of NGA customers rose to 945K.
- Expand its PAY-TV base to 575K subscribers leveraging on PAY-TV packs targeted at specific customer segments aiming to support demand and in parallel strengthen its position in the market. COSMOTE TV's new OTT TV streaming services offering more personalized and advanced capabilities to customers, combining live program with on-demand content and making recommendations to users, according to their preferences and habits. Additionally, COSMOTE TV –that has hosted the UEFA's top European club leagues since 2015- has secured until 2024 the television broadcasting rights for all UEFA European club football leagues – UEFA Champions League, UEFA Europa League, the new club competition UEFA Europa Conference League, and UEFA Super Cup & UEFA Youth League.
- Win and implement major complex ICT projects, which required solutions combining Telecommunications and Systems Integration.

In the mobile business, the Group maintained its leading market position with more than 51% service revenue market share:

- Service revenue decline by 4.3%, impacted by pandemic crisis mainly coming from visitors revenues drop due to travel restrictions and ARPU pressures in customer base, as well as from regulation as a result of drop in mobile voice interconnection rates.
- Reflecting focus on 4G/4G+ investments, enabled by increased smartphones penetration, the data active internet users uptake increased by 3 percentage points compared to last year, achieving 71% penetration in active base.
- Furthermore, focusing on new revenue streams, our mobile business continues to enhance Internet of Things services introducing Cosmote Asset Tracker, an innovative solution that offers the ability to monitor business equipment remotely, over the Narrowband IoT (NB-IoT) network, which Cosmote has developed throughout Greece. In parallel, Cosmote implements digital transformation projects for the Public sector, such as Digital signature, e-GEMI (General Commercial Registry), Private sector (e.g. Philip Morris CRM) and Utilities (HEDNO CRM & Billing System).

## ROMANIA MOBILE

Financial Data	2020	2019	Change
<b>Revenues</b>	<b>350.4</b>	<b>386.0</b>	<b>-9.2%</b>
Mobile Service Revenues	230.5	253.5	-9.1%
Other Revenues	119.9	132.5	-9.5%
<b>Adjusted EBITDA After Lease (AL)</b>	<b>24.5</b>	<b>18.3</b>	<b>+33.9%</b>
<i>Margin %</i>	<i>7.0%</i>	<i>4.7%</i>	<i>+2.3pp</i>

Operational Data	2020	2019	Change
Mobile subscribers	3,643,320	4,040,100	-9.8%
<i>Postpaid</i>	<i>1,647,905</i>	<i>1,550,430</i>	<i>+6.3%</i>
<i>Prepaid</i>	<i>1,995,415</i>	<i>2,489,670</i>	<i>-19.9%</i>

In 2020, total revenues in Romania mobile decreased by 9.2% to Euro 350.4 in 2020, mainly reflecting the negative impacts on COVID-19 crisis. Mobile service revenues decline reflects the travel and mobility restrictions resulting from the pandemic crisis as well as the impact of lower regulated mobile termination rates.

In 2020 the company managed to record a strong increase in the Adjusted EBITDA After Leases (AL), totaling Euro 24.5 up by 33.9%, more than offsetting COVID-19 impact, following the cost-reduction initiatives implemented throughout the year, notably in personnel cost. The respective Adjusted EBITDA After Leases (AL) margin stood at 7.0% compared to 4.7% in 2019.

At December 31, 2020, the company's customer base totaled 3.6 million subscribers, down 9.8% from the year-earlier level driven by prepaid segment.

## **B. OBJECTIVES AND STRATEGY**

Management's continuous goal for OTE Group, is to remain the market leader and pioneer, a modern, high-performance Digital Leader who offers best customer experience based on its technological superiority.

More specifically, the aspiration for OTE Group is to:

- Remain the undisputable market leader in Fixed, Mobile and Convergent markets
- Safeguard its leading position in Broadband (both Fixed and Mobile), ICT and Pay-TV services in the Greek market
- Develop new revenue streams (COSMOTE Insurance, BOX) and create new ones (COSMOTE e-Payments, Online Betting)
- Deliver best services to customers, leveraging on the technological superiority of its Next Generation Networks (Vectoring/ FTTH, 4G+/ 5G )
- Offer superior customer experience, utilizing modern digital channels
- Advance with the transformation of its own operating model, capitalizing on the potential of emerging digital technologies and the flexibility of its new spin-off subsidiaries
- Be the best place to work in the Greek market, develop its personnel and attract talents
- Increase the value of the shareholders
- Maximize synergies as a member of Deutsche Telekom Group
- Have a positive impact on the society and the environment.

### Key objectives of 2021

OTE remains committed to sustainable and profitable growth. For 2021, the Group besides achieving the annual business targets will also seek to enable its long term evolution. Special focus will be put in its 360° Digital Transformation (for Customer-facing and intra-Company processes), in further enhancing the Customer Experience, in streamlining a leaner and more agile operating model (leveraging on its new spin-off subsidiaries), as well as in the operationalization of Group synergies within the Deutsche Telekom Group.

**Key Strategic pillars and actions for 2021:**

<b>Technology Superiority</b>	<b>Best Customer Experience</b>	<b>Revenue Transformation</b>	<b>Lead in Core Business</b>
<ul style="list-style-type: none"> <li>• Continue Optical Fiber Networks deployment</li> <li>• Reach 50% population coverage in 5G</li> <li>• Digitalize Network Field tasks</li> <li>• Improvements in IT systems</li> </ul>	<ul style="list-style-type: none"> <li>• Digital Transformation @Customer:               <ul style="list-style-type: none"> <li>○ Omni-channel</li> <li>○ Extended functionalities in apps</li> <li>○ Service enhancements in O2B and F2R.</li> </ul> </li> <li>• Push Online Sales</li> <li>• Digital predictive maintenance @Network</li> </ul>	<ul style="list-style-type: none"> <li>• ICT projects               <ul style="list-style-type: none"> <li>○ Public &amp; Private sectors; EU projects</li> <li>○ Cloud / Microsoft partnership</li> <li>○ IoT - Smart Cities - Verticals</li> </ul> </li> <li>• Develop COSMOTE Insurance – BOX</li> <li>• Launch e-Payment services and online betting</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage COSMOTE brand superiority</li> <li>• Upgrade customers to higher speeds on Fixed and more data on Mobile</li> <li>• Enhancements on FMC and FMCC propositions</li> <li>• COSMOTE TV Growth</li> <li>• Wholesale Fiber Monetization</li> </ul>

**Digitalization, Simplification and and Cost Optimization**

- Lean and agile operating model (spin-offs, outsourcing)
- Digital Transformation @Company
- Cost efficiency programs • Procurement synergies with Deutsche Telekom Group

**Growth Mindset and Culture**

- Evaluation of new working models (Agile, Work from home)
- Re-skilling / Upskilling in new digital skills
- Establish a culture of growth and innovation

**Outlook for 2021**

While the negative COVID-19 pandemic impact is expected to gradually subside in 2021 as the pace of vaccination accelerates, mobility restrictions are waived, and travel and tourism resume, OTE Group expects a progressive but measured return to better operating conditions and revenue growth from the second half of the year onwards.

Against this background, the Company remains vigilant and continues to implement stringent cost-mitigation measures across all areas, to support its profitability and cash flow generation, while continuing to invest in fixed and mobile infrastructure that secures its competitive advantage and future growth. OTE is set to pursue its journey of digitization and transformation, aiming to become even more agile, efficient and customer focused.

For 2021, management expects Adjusted CAPEX of approximately Euro 550 and Adjusted Free Cash Flow of approximately Euro 575. Reported Free Cash Flow should total Euro 480, also representing the total Shareholder remuneration amount for 2021 (not including proceeds from the disposal of Telekom Romania operations), a 20% increase compared to the prior year.

During the period 2018-2020, in which the Shareholders' Remuneration Policy has been executed, the Company has remunerated its shareholders cumulatively with the amount of approximately Euro 1,007. The actual free cash flow that was finally generated during this period, was approximately Euro 80 higher due to the better performance in the last years. This excess amount is deemed prudent to be kept as a cushion in order to face any potential adverse circumstances which may arise from the current crisis created by the pandemic and the resulting economic hardships. The decision to distribute the aforementioned excess amount will be made in the next fiscal years.

## C. SIGNIFICANT EVENTS OF THE YEAR 2020

### VOLUNTARY LEAVE SCHEMES

In 2020, OTE Group implemented Voluntary Leave Schemes; more than 1,300 people in Greece participated in Voluntary Leave Scheme programs and left the Group within the year and early 2021.

#### OTE voluntary leave schemes

In 2020, OTE implemented voluntary leave schemes, the respective cost of which amounted to Euro 117.8 (2019: Euro 49.9).

#### Group voluntary leave schemes

Group companies applied voluntary leave schemes, the total cost of which is as follows:

	2020	2019
OTE (as described above)	117.8	49.9
COSMOTE Group - Greece	12.6	3.4
TELEKOM ROMANIA MOBILE	0.3	2.0
OTHER	1.9	-
<b>Costs related to voluntary leave schemes</b>	<b>132.6</b>	<b>55.3</b>

Amounts paid during 2020, in relation to voluntary leave schemes were Euro 109.1 for the Group and Euro 94.7 for the Company (2019: Euro 58.7 and Euro 54.2, respectively).

### DIVIDEND AND SHARE BUYBACK PROGRAM

On June 24, 2020, the Annual General Meeting of OTE's Shareholders approved the distribution of a dividend of Euro 0.55 (in absolute amount) per share outstanding. The corresponding dividend payout, i.e. Euro 258.6, represents 65% of the total amount allocated under the Shareholders Remuneration Policy for 2020. It is noted that this Policy was approved by the Board of Directors on February 15, 2018 and states that the annual free cash flow will be allocated at a percentage of 65% for dividend distribution and 35% for share buy-backs, in accordance with the regulatory framework as in force from time to time.

In addition, the dividends corresponding to any own shares that were acquired by the Company in the context of the Own Share Buyback Program and were owned by the Company until the ex-dividend date increased the dividend of the other shareholders according to the law.

It is further noted that the remaining amount, i.e. approximately Euro 141 or 35% of the total amount allocated under the Shareholders Remuneration Policy for 2020, as per above, was used for the buyback of Company shares under the Share Buyback Program, as approved by the Extraordinary General Shareholders' Meeting of February 20, 2020.

### CANCELLATION OF OWN SHARES AND SHARE BUYBACK PROGRAM

During the period from February 25, 2019 until January 27, 2020 the Company purchased 9,764,743 own shares for their cancellation, under the Own Share Buyback Program approved by the General Shareholders' Meeting of February 15, 2018 (hereinafter the "2018-2020 Programme"), as partial implementation of the Shareholders Remuneration Policy.

The Extraordinary Shareholders' General Meeting of February 20, 2020, approved the cancellation of the foregoing 9,764,743 own shares, representing at that time 2.035% of its share capital, along with a reduction of the Company's share capital by Euro 27,634,222.69 (absolute amount) (equivalent to the above number of own shares multiplied by the nominal value of the Company's share, i.e. 2.83 (absolute amount) Euro) and the amendment of Article 5 ("Share Capital") of the Company's Articles of Incorporation.

Following notification to the Corporate Actions Committee of the Athens Stock Exchange and consummation of other legal and regulatory procedures, the aforementioned shares were canceled and delisted from the Athens Exchange (ATHEX) as of March 27, 2020, when trading of the aforementioned shares on the ATHEX has ceased.

Furthermore, the same Extraordinary General Meeting of the Shareholders of February 20, 2020 approved an Own Share Buyback Program of a 24-month term (hereinafter the "2020-2022 Programme"), in the context of the Shareholders Remuneration Policy approved as per above by the Company's Board of Directors and for the partial implementation thereof (i.e. on top of dividend distribution).

Under the 2020-2022 Programme and particularly during the period between March 4, 2020 and December 31, 2020, 10,826,389 own shares were acquired at a nominal value of 2.83 (absolute amount) per share at an average execution price of Euro 12.14 per share. More specifically, until October 31, 2020, 9,965,956 own shares had been acquired under the Programme while during the period from November 1, 2020 until December 31, 2020 an additional 860,433 own shares were acquired.

Further on, the Extraordinary General Shareholders' Meeting of December 4, 2020, approved the cancellation of a total number of 9,965,956 own shares, purchased under the 2020-2022 Programme until October 31, 2020, representing at that time 2.12% of its share capital, along with a reduction of the Company's share capital by Euro 28,203,655.48 (absolute amount) (equivalent to the above number of own shares multiplied by the nominal value of the Company's share, i.e. 2.83 Euro (in absolute amount)), and the amendment of Article 5 ("Share Capital") of the Company's Articles of Incorporation.

Following notification to the Corporate Actions Committee of the ATHEX and completion of publicity formalities, as per applicable legislation, such shares were canceled and delisted from the ATHEX on January 15, 2021, when trading of the aforementioned shares on the ATHEX has ceased.

Under the 2020-2022 Programme and particularly during the period between March 4, 2020 and January 28, 2021 where the first year of the Programme has been completed, 11,387,932 own shares were acquired at an average execution price of Euro 12.20 per share.

### **COSMOTE**

#### **Principal repayment under the Euro 150.0 term loan facility with European Investment Bank (EIB)**

On January 23, 2020, COSMOTE paid principal installment of Euro 11.5 under the term loan facility with EIB, along with the accrued interest. On July 23, 2020, COSMOTE paid principal installment of Euro 11.5 under the term loan facility with EIB, along with the accrued interest.

### **ISSUANCE OF NEW BONDS**

On June 19 2020, OTE PLC issued Euro 150.0 Notes due on December 10, 2020 and Euro 200.0 Notes due on June 10, 2021, which were fully subscribed by DEUTSCHE TELEKOM AG. The new Notes were issued by OTE PLC and guaranteed by OTE SA under the existing Global Medium Term Note Programme. The proceeds of the new Notes were used for the partial refinancing of the Euro 700.0 OTE PLC Notes (with outstanding balance of Euro 627.9), which were repaid in full at maturity in July 2020.

### **NEW CREDIT FACILITY**

On July 24, 2020, the Company signed a Bond Loan Agreement, in the form of a committed Revolving Credit Facility, with the syndication of National Bank of Greece and Alpha Bank SA, of Euro 200.0 in total and tenor of 2 years. No drawdown has taken place up to the date of this publication.

### **COSMOTE PAYMENTS**

On July 21, 2020 the grant by the Bank of Greece of an operating license for an electronic money institution to COSMOTE PAYMENTS was published in the official government gazette.

### **REPAYMENT OF NOTES**

On July 9, 2020 the Euro 700.0 fixed-rate Notes under the Global Medium-Term Note Program of OTE PLC, with outstanding balance of Euro 627.9, were fully repaid at maturity. The Euro 150.0 Notes due on December 10, 2020 were also fully repaid at maturity.

### **SPIN-OFFS**

On June 18, 2020, the Boards of Directors of OTE and COSMOTE approved the initiation of a demerger through the spin-off of three separate business sectors of OTE and COSMOTE, i.e. Customer Service, Shops and Technical Field Operations, and absorption thereof by 100% subsidiaries of OTE Group, i.e. by i) "COSMOTE E-VALUE S.A., ii) GERMANOS S.A. and iii) COSMOTE TECHNICAL SERVICES S.A. (former OTEplus), respectively.

On October 8, 2020, the Boards of Directors of OTE and COSMOTE approved the Draft Demerger Agreement through Spin-off of the foregoing business sectors and the absorption thereof by the foregoing Companies of OTE Group.

On December 4, 2020, the demerger through spin-offs, as per above, was approved by OTE's and COSMOTE's Extraordinary General Meetings of their Shareholders, as well as by the shareholders' meeting of each of the aforementioned companies of OTE Group.

The spin-offs were consummated on January 4, 2021, with the registration in the General Business Registry (GEMI) of the Authorities' decisions approving the foregoing transactions as well as the amendments of the companies' Articles of Incorporation.

#### AGREEMENT FOR TELEKOM ROMANIA DISPOSAL

On November 9 2020, OTE announced that it has entered into an agreement to sell its 54.01% stake in Telekom Romania Communications S.A. (Fixed) to Orange Romania.

The agreed consideration is Euro 497.0 for 100%, corresponding to Euro 268.4 for OTE's stake, on a debt-free, cash-free basis and is subject to customary adjustments at closing of the transaction, such as for net debt, working capital and pre-closing items.

OTE will retain ownership of Telekom Romania Mobile Communications S.A.

The sale is not expected to have a material impact on OTE's free cash flow outlook, or its debt position.

The transaction is subject to regulatory approvals and other conditions and is expected to be completed within the second half of 2021. Following completion, the net consideration after transaction expenses and required provisions, will be returned to OTE shareholders in the form of dividend and share buybacks.

#### RIGHTS OF USE OF RADIO FREQUENCIES

On December 16, 2020, Hellenic Telecommunications and Post Committee ("HTPC") completed the tender process for the granting of spectrum usage rights in the 700 MHz, 2 GHz, 3400-3800 MHz and 26 GHz frequency bands. As a result of the process, COSMOTE renewed and was granted blocks in the above frequencies for a total consideration of Euro 123 which allow it to provide 5G services. The rights of use of the above radio frequencies have a duration of fifteen years with the possibility of renewal for another five years for an additional consideration.

### D. RISKS AND UNCERTAINTIES FOR THE NEXT YEAR

OTE Group has developed and applies an Enterprise Risk Management System, which is certified as per ISO 31000:2018, and supports Management in its strategic decision-making, in order to safeguard its smooth operation and future corporate success. This is achieved by identifying, evaluating, communicating and addressing enterprise risks, including sustainability and conflicts of interest risks, utilizing all strategic and operational risk mitigation, and monitoring relevant measures taken by the Group, in order to avoid risks and seize future opportunities.

Periodically, an analysis of material issues (Materiality Assessment) is conducted, in order to identify the most important issues for the sustainable development of the Group. The analysis is based on the unified Enterprise Risk Management methodology on significant strategic, financial, operational, environmental, reputational and social aspects, which may have influence on (and/or may be influenced by) the decisions of the Group, taking into account the expectations of the Group's stakeholders.

Information regarding the Enterprise Risk Management System is included in Section [F. Corporate Governance Statement \("G. Internal Controls and Risk Management Systems of the Company in relation to financial reporting process"\)](#) into the Annual Financial Report [https://www.cosmote.gr/cs/otegroup/en/oikonomikes\\_katastaseis\\_omilou\\_ote\\_kai\\_ae.html](https://www.cosmote.gr/cs/otegroup/en/oikonomikes_katastaseis_omilou_ote_kai_ae.html).

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

#### Pandemic Crisis; COVID-19

The Covid-19 pandemic has led to unprecedented global health and economic crisis. In Greece, the virus was first detected in late February 2020, leading to a nation-wide lockdown. The OTE "Pandemic Plan" was activated on March 5, 2020, responding promptly to the national (and international) developments. In early May, a gradual relaxation of the quarantine restrictions began, and during June, further restrictions were abolished. During summertime, however, the rise of the corona virus cases in Greece led to the early closing of the tourism season and re-introduction of restrictive measures. Limited reopening measures for businesses were implemented during the Christmas holiday period. Throughout the pandemic, the Company continually operates according to the guidelines and decisions of all relevant agencies, adhering to the requirements and action plan endorsed by the Greek authorities.

The pandemic accelerated OTE's transformation into a digital organization, since changes occurred to the day-to-day operations. Since the beginning of the lockdown, the Company took a series of precautionary measures, including, a large scale remote work scheme (currently covering 70% of personnel). Moreover, the Company ensured the provision of healthcare supplies and specialized uniforms for technicians, and communication channels for consultation on health issues and psychological support

at all employees' disposal (for more information, please refer to section "Health and Safety in the workplace" below as well as to the [OTE Group Integrated Report 2019](#), section 1.6, p. 25).

Despite the particularly increased daily data traffic in fixed and mobile networks, OTE's networks responded to the higher demand. Moreover, the Company's risk assessments on potential stock shortages of devices/equipment detected no exposure.

The extent to which OTE will be affected by Covid-19 in the upcoming quarters will largely depend on future developments of the pandemic, since the extension of restrictive measures could negatively impact the Company's business performance, reducing revenues from telecommunications services, temporarily affecting its ability to collect receivables and disrupting its supply chain.

#### 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 Group and 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 Group and the Company are exposed in respect of the relevant assets.

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

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Group and 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 Group and the Company. For this category the Group and the Company assess the credit risk following the established policies and procedures and recognizes the appropriate provision for impairment.

The Group and the Company have 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.

Taking into consideration the impact of COVID-19, the Group and the Company have incorporated in the provision for expected credit losses the increase in credit risk for customers whose business is negatively affected and for those whose payment profile indicated a greater risk.

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

Loans include loans to employees, which are collected either through the payroll or are netted-off with their retirement indemnities, and loans to the pension fund related to prior years voluntary leave schemes. The latter loans are exposed to credit risk related to the debt servicing capacity of the pension fund.

#### Impairment of financial assets

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

- Trade receivables
- Contract assets
- Lease receivables
- Loans to group companies
- Loans to pension funds
- Loans and advances to employees
- Other financial assets.

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



The Group 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 following tables demonstrate the credit risk exposure on gross carrying amount of trade receivables and contract assets for the Group and the Company:

<b>GROUP (simplified approach)</b>				
<b>December 31,2020</b>	<b>Performing</b>	<b>Underperforming</b>	<b>Non-Performing</b>	<b>Total</b>
Trade receivables	477.1	71.0	697.3	<b>1,245.4</b>
Contract assets	28.7	-	6.5	<b>35.2</b>
<b>TOTAL</b>	<b>505.8</b>	<b>71.0</b>	<b>703.8</b>	<b>1,280.6</b>

<b>GROUP (simplified approach)</b>				
<b>December 31,2019</b>	<b>Performing</b>	<b>Underperforming</b>	<b>Non-Performing</b>	<b>Total</b>
Trade receivables	595.9	111.5	840.3	<b>1,547.7</b>
Contract assets	37.8	-	7.1	<b>44.9</b>
<b>TOTAL</b>	<b>633.7</b>	<b>111.5</b>	<b>847.4</b>	<b>1,592.6</b>

In the year 2020, the balances related to TELEKOM ROMANIA have been transferred to disposal group classified as held for sale.

<b>COMPANY (simplified approach)</b>				
<b>December 31,2020</b>	<b>Performing</b>	<b>Underperforming</b>	<b>Non-Performing</b>	<b>Total</b>
Trade receivables	284.3	29.5	364.5	<b>678.3</b>
Contract assets	0.4	-	-	<b>0.4</b>
<b>TOTAL</b>	<b>284.7</b>	<b>29.5</b>	<b>364.5</b>	<b>678.7</b>

<b>COMPANY (simplified approach)</b>				
<b>December 31,2019</b>	<b>Performing</b>	<b>Underperforming</b>	<b>Non-Performing</b>	<b>Total</b>
Trade receivables	303.1	32.1	472.7	<b>807.9</b>
Contract assets	1.4	-	0.1	<b>1.5</b>
<b>TOTAL</b>	<b>304.5</b>	<b>32.1</b>	<b>472.8</b>	<b>809.4</b>

Trade receivables balances as of December 31, 2020 are stated after the write-offs of Euro 151.2 (out of which Euro 3.6 related to discontinued operations) for the Group and Euro 125.2 for the Company, respectively.

The major part of the outstanding balance of lease receivables for the Group and the Company are considered as performing.

The remaining financial assets of the Group are considered to have low credit risk, therefore the Group 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.

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.

The split of trade receivables and contract assets within the above categories and the assessment of whether there has been an increase in credit risk on a Group level is assessed based on each Group entity's best estimates taking into account its specific facts and circumstances.

#### b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as they fall due. Liquidity risk is kept at low levels by ensuring that there is sufficient cash on demand and / or credit facilities to meet the financial obligations falling due in the next 12 months. The Group's and the Company's cash and cash equivalents and other financial

assets as at December 31, 2020 amount to Euro 521.6 and Euro 108.3 respectively and their short-term borrowings and their short-term portion of long-term borrowings amount to Euro 229.0 and Euro 270.8, respectively.

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

#### c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will result in fluctuations of the value of the Group's and the Company's financial instruments. The objective of market risk management is to manage and control exposure within acceptable levels.

The individual risks that comprise market risk and the Group's and the Company's policies for managing them are described below:

##### 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.

As of December 31, 2020, the ratio of fixed-rate borrowings to floating-rate borrowings for the Group was 99.5%/0.5% (2019: 99.4%/0.6%).

##### ii. Foreign currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. The Group operates in Southeastern Europe and as a result is exposed to currency risk due to changes between the functional currencies and other currencies. The main currencies within the Group are the Euro and the Ron (Romania).

The Group monitors and possesses adequate foreign currency reserves to minimize exposures affecting cash flows. Foreign currency risks that do not affect the Group's cash flows (i.e. the risks resulting from the translation of foreign operations financial statements into the Group's reporting currency) are generally not hedged.

The following table demonstrates the sensitivity to a reasonably possible change in the functional currency exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities):

Change in functional currency exchange rate against Euro	Effect on profit before tax	
	2020	2019
-10%	4.0	4.9
10%	(4.0)	(4.9)

#### Capital Management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business plans and maximize shareholder value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

An important means of managing capital is the use of the gearing ratio (ratio of net debt to equity) which is monitored at Group and Company level. Net debt includes interest bearing loans and notes, as well as long-term and short-term lease liabilities (following IFRS 16 adoption as of January 01, 2019), less cash and cash equivalents.

GROUP	December 31	
	2020	2019
Long-term borrowings	974.8	996.4
Short-term borrowings	205.9	8.9
Short-term portion of long-term borrowings	23.1	707.5
Lease liabilities (long-term portion)	290.6	334.5
Lease liabilities (short-term portion)	61.2	62.9
Cash and cash equivalents	(516.2)	(1,058.3)
<b>Net debt</b>	<b>1,039.4</b>	<b>1,051.9</b>
Total equity	2,139.8	2,183.1
<b>Gearing ratio</b>	<b>0.49x</b>	<b>0.48x</b>

COMPANY	December 31	
	2020	2019
Long-term borrowings	894.1	892.5
Short-term borrowings	270.8	-
Short-term portion of long-term borrowings	-	743.8
Lease liabilities (long-term portion)	195.3	227.9
Lease liabilities (short-term portion)	44.8	42.3
Cash and cash equivalents	(105.5)	(560.6)
<b>Net debt</b>	<b>1,299.5</b>	<b>1,345.9</b>
Total equity	3,259.2	3,154.6
<b>Gearing ratio</b>	<b>0.40x</b>	<b>0.43x</b>

#### d) Other risks

In OTE Group, Risk Assessment is a structured process for the identification, analysis, evaluation and treatment of enterprise risks, in order to ensure better informed decision-making by the Company's competent bodies regarding the management of risks, their mitigation measures, as well as the monitoring of the implementation of the measures. Within this framework, operational, strategic, regulatory, financial, legal and compliance risks are being assessed and monitored. A significant mitigation measure is the transfer of risk to third parties (e.g., insurance companies), through multinational and local insurance contracts, which protect the Company from operational risks that are insurable.

#### Additional tax burdens

In the previous years, the Greek State adopted a range of fiscal measures which aimed at increasing public tax revenues which materially affected the Group's and the Company's income statement. According to Law 4646/2019 that was published in December 2019, the corporate income tax rate was reduced to 24% from year 2019 onwards, whereas from January 1, 2020, the withholding tax rate on dividends was also reduced from 10% to 5%. Still, given the fiscal position of the Greek State in recent years, it cannot be excluded that fiscal measures may be taken in the future, which could have a material adverse effect on the Group's and the Company's financial condition.

#### Potential impairment losses

In conjunction with the conditions in many markets in which the Group has invested, the Group faces challenges regarding the financial outlook of some of its subsidiaries. In this respect, impairment losses may incur relating to these subsidiaries' assets.

#### Additional contributions to pension funds

Based on actuarial studies performed in prior years and on current estimations, the pension funds show (or will show in the future) increasing deficits. OTE does not have a legal obligation to cover any future deficiencies of these funds and, according to management, neither does it voluntarily intend to cover such possible deficiencies. However, there can be no assurance that OTE will not be required (through regulatory arrangements) to make additional contributions in the future to cover operating deficits of these funds.

#### Regulatory framework

The regulatory obligations and the competitive pressure have an impact on OTE's ability to apply competitive pricing at retail and wholesale level and they may have a negative effect on OTE's ability to compete effectively. According to the legal and the regulatory framework in force, the Hellenic Telecommunications and Post Committee ("HTPC") has designated OTE as having Significant Market Power (SMP) in the relevant wholesale markets and controls its pricing policy. Price control regulatory obligations require OTE to set often higher prices than its competitors for the same services.

### Critical infrastructure failure

For all telecom operators, the Information and Communication Technologies (ICT) infrastructure is considered as the backbone of their operations. Given the variety and diversity of contemporary services provided by all telecom operators, the complexity of the ICT infrastructure and the interdependencies between various network nodes and service platforms, are unprecedented. Thus, technical infrastructure outages, due to either external factors (e.g. earthquake, flooding, etc.) or internal factors (e.g. power and air-conditioning outages, human error, etc.) cannot be ruled out. Consequently, service disruptions might appear that could result in potential revenue losses, increased rehabilitation and/or potential customer compensation costs, and consequential effects on customer base and Company's reputation.

OTE Group has implemented a robust Business Continuity Management System certified per ISO 22301:2012. Recovery programs both from IT and Network are already instated, while mitigation measures are further enhanced through the gradual introduction of architectural changes and new technologies in order to promote Network and IT resilience and availability.

Furthermore, power availability at critical sites is constantly monitored and enhanced. Two of the main Network and IT Data Centers were awarded with a Tier III-category certification by the Uptime Institute. Improvement works of Electro-Mechanical infrastructure ("Dual Feed" project) of network critical infrastructure sites took place.

Uninterrupted provision, to DT Group, of Value Added services is safeguarded by critical infrastructure's high availability along with application switch over or diversion to alternative Data Center.

### Information security

Digital transformation, the dedicated attention to new strategies and business models that utilize technological advances (e.g. Internet of Things – IoT, artificial intelligence – AI, 5G technology, agile methodology, collaboration platforms, etc.), adherence to increased security standards and regulations for information and communication systems security, as well as the implementation of a holistic cyber security strategy to cover and effectively manage the ever-increasing risk landscape are a major priority for OTE Group. Innovative technologies were utilized to face new challenges caused by the outbreak of Covid-19 pandemic and enabled OTE Group to balance between the need to protect itself from cyber risks and the need to adopt digital innovation.

Effects of security breaches, as well as new business models for digital service delivery reinforce the existing cybersecurity challenges and create new ones, by growing in complexity and risk. As OTE Group provides integrated ICT solutions, including services to large customers and public organizations, it applies a holistic approach to managing cybersecurity risks, placing emphasis on the prevention, timely detection and rapid response to common types and evolving cybersecurity threats facing the telecommunications sector.

In September 2020, during systems' checks, an unauthorized file export from the company's system was detected, as a result of a cyber-attack. The company immediately blocked the unauthorized access, took all necessary measures and informed the competent Authorities from the very first moment as provided by the law.

In order to ensure a high level of network and information security across the Company, the OTE Group Information Security and Telecommunication Fraud Prevention Division implements a robust information security and data protection framework, establishes the required set of security policies, procedures and practices, adopts a structured and holistic cyber security risk management framework, designs new security mechanisms, systems and infrastructure, and evaluates their proper implementation and effectiveness (e.g. via periodic system audits). In addition, the OTE Group Security Operations Center collects and analyzes data from corporate systems on a 24/7 basis, in order to timely detect and effectively respond to security incidents (e.g. cyberattacks).

Security of information and communication systems is a key objective of OTE Group, as well as a competitive advantage to maintain trust of its customers and partners.

### Data Protection

The Company collects, stores and uses personal data, in the ordinary course of its operations, and protects them according to the data protection legislation and the Binding Corporate Rules Privacy (BCRP) for the protection of personal rights in the handling of personal data within the Group, which have been adopted by the BoD of the Company. Although technical and organizational measures are implemented to protect personal data, measures may fail and certain personal data may be lost as a result of human error or technological failure or otherwise be used inappropriately. Data breach by the Company or one of its partners or suppliers may result in fines, reputational harm and subscriber churn and could have a material adverse effect on the business and its financial condition.

Data protection is one of OTE Group's top priorities; it's more than just an obligation to meet legal and regulatory requirements, it's also part of the Company's culture. In this context, OTE Group has established a Data Privacy unit, headed by the Data Protection Officer, who is operationally supervised by the Audit Committee.

Technical and organizational measures implemented by the Company include, inter alia, measures to prevent unauthorized persons from accessing data processing systems, measures to ensure the confidentiality of data at rest and in transit (e.g. encryption, pseudonymization), measures to ensure that personal data processed by third parties / contractors are processed only in accordance with the Company's instructions, as well as periodic employee awareness and training activities.

### Climate protection

Climate change is a global environmental issue, the impacts of which affect the whole range of economic activities as well as life on the planet. Aiming at climate change mitigation, EU has set as its target the reduction of Greenhouse Gas (GHG) emissions by more than 40% by 2030. As part of the European Green Deal, EU aims at zero net emissions by 2050. In this context, the European Council reached an agreement on the European climate Law (October 2020), while the Commission proposed the revision of the reduction target for 2030 to a 55% reduction, compared to the 1990 levels.

In this context, OTE Group has adopted a specific environmental strategy comprising three areas:

- Minimizing the environmental impact of its activities,
- Developing and providing products and services that enable increased productivity and environmental protection in other sectors of economic activity, and
- Reinforcing its stakeholders' environmental awareness.

In line with its environmental strategy, OTE Group participated in the achievement of DT Group target for a 20% reduction of GHG emissions by 2020, and participates in the achievement of the revised group-wide Climate Change targets for the post 2020 period, aiming at

- covering 100% of DT Group electricity consumption with electricity generated from renewable energy sources by 2021;
- a 90% reduction of scope 1 and scope 2 GHG emissions and
- a 25% reduction of the most important scope 3 emissions (purchased goods and services, capital goods and product lifecycle) per customer by 2030, compared with 2017 (base year).

It's important to mention that energy consumption is a major source of GHG emissions in OTE Group contributing to climate change (and air pollution), and affects the operational cost of OTE Group, which is also directly related to the regulated charges of the national electricity grid, and may also be influenced by:

- Increases due to the fees / levies / burdens imposed on the electricity generation sector in the context of the EU emissions trading scheme (indirect regulatory risk)
- Stricter environmental regulations with mandatory provisions (e.g. energy audits of activities, heating / cooling systems, etc.).

Low environmental performance could affect the Group's reputation and market share, as surveys indicated that consumers and investors tend to engage with companies that have an effective environmental policy in place.

Taking into consideration all the above, OTE Group inventories annually all direct and indirect emissions (scope #1, #2 and #3) arising from its operation and endeavors to reduce them. In this, OTE Group has initiated a number of actions for the reduction of energy consumption (and corresponding emissions), thus minimizing relevant risks and enabling, in the long term, its adaptation to climate change. These actions, among others, include:

- Air-Condition temperature set-point / Automation
- Telecom Rooms Consolidation
- Legacy Networks Power off
- Infrastructure Modernization / Optimization
- Free Cooling & Site Survey Teams
- Mobile Modernization
- RAN Energy Features
- Fuel saving measures, with hybrid solutions at off grid sites
- Measures to improve the efficiency in data centers
- Energy upgrade of buildings' shell
- Energy-efficient design of renovated buildings and installation of new energy-efficient equipment and LED lighting systems
- Automation in lighting systems, air conditioning, generators etc. and monitoring of energy consumption
- Energy audits to identify measures to improve the performance of the equipment installed
- Office space consolidation
- BMS/ BEMS systems and energy management of installations in accordance with the ISO 50001 Standard
- Fleet upgrading with new technology vehicles of lower emissions and improved energy efficiency engines

### Supply chain

OTE Group considers its supply chain management as the base for its effective operation, its economic growth as well as its reputation maintenance and improvement. This supply chain management takes into consideration the sustainable development principles. Therefore, the Group aims to cooperate with suppliers that are environmentally and socially responsible. However, there are risks that may potentially cause business operational failures, revenue losses, reputational damage as a result of third party/vendor actions (environmental damages, inadequate working conditions, child labor, fraud, etc.).

In order to mitigate these risks arising from suppliers, OTE Group has adopted and implements the following:

- The OTE Group Supplier Code of Conduct, which is uploaded on the corporate website and is accessible by suppliers. The acceptance of the Code is a prerequisite in order for a prospective supplier to enroll at the Suppliers' Portal and also for signing a contract or other agreement (the adherence to the Code is a contractual obligation). Moreover, the supplier must bind its contractors (and/or subcontractors) to the principles of the Supplier Code of Conduct insofar as they are involved in providing deliverables under the contract.
- The OTE Group Code of Human Rights and Social Principles, which is uploaded on the corporate website and in the Supplier Portal, is accessible by the suppliers, customers and the rest of the stakeholders of the Group. OTE Group extends the Code's principles to its suppliers and requires from them to respect and apply them throughout their operations and business relationships.
- An anti-corruption clause which is obligatory to be included both into the General Order Terms and also as a term in contracts with suppliers. As noted in the above mentioned clause, among others, the supplier and supplier's sub-contractors have the obligation to adhere, in the context of the agreement, to the principles and values (Rules) that are outlined in the "[OTE Group Code of Conduct](#)", in the "[OTE Group Supplier Code of Conduct](#)" and in the "[OTE Group Code of Human Rights and Social Principles](#)" (i.e. the adherence to the Rules is a contractual obligation).
- Procedures for reviewing and evaluating suppliers (such as a pre-contractual integrity check and evaluation of prospective suppliers) according to the Compliance criteria. These criteria include anti-bribery or anti-money laundering law infringement in the past, negative publicity regarding the supplier, as well as the inclusion of the supplier to publicly available sanction lists.
- Communication/awareness to our suppliers regarding the OTE Group Principles, the OTE Group Compliance Management System and the related to suppliers' Codes, as well as their contractual obligation to adhere to these principles throughout our business cooperation.
- An annual suppliers' evaluation.

### Health risks related to Electromagnetic fields (EMF)

The potential health effects of man-made sources of electromagnetic radiation fields (EMF) have attracted particular attention in recent years. For this reason, international scientific organizations have established safe limits of exposure to non-ionizing (EMF) radiation and a relevant legislative framework has been developed.

Research carried out and evaluated by the World Health Organization does not show any correlation between health and impact of electromagnetic emissions from telecommunication stations operating below the established EMF exposure safety limits. Furthermore according to measurements by independent organizations, the values of EMF attributed to telecommunications base stations, contribute less than 30% of the total electromagnetic background in the residential areas. The electromagnetic field levels in all OTE Group base stations comply with the limits recommended by the World Health Organization and the International Commission for the Protection of the Non Ionizing Radiation Protection (ICNIRP), as well as with the limits set by law 4635/2019, which are at 60-70% of the ICNIRP limits [establishing the limits, the scientific community has set a safety factor of fifty (50), considering that some population groups may be more vulnerable] at free public access points. In general, OTE Group's policy is based on the application of the Precautionary Principle, which incorporates also the principles of Transparency, Information, Participation and Promotion of Science, for all its products and services.

In 2020, ICNIRP published the new guidelines for protection against exposure to electromagnetic radiation. According to ICNIRP's new international guidelines, after more than 20 years of research, the security of mobile networks is confirmed for everyone, including children, when the recommended exposure limits are met. ICNIRP notes that: "The most important thing for people to remember is that 5G technologies will not be able to cause harm when these new guidelines are adhered to".

### Health and Safety in the workplace

A number of work-related factors is considered to be responsible for jeopardizing the Health and Safety of employees, especially the technical staff, (which includes, inter alia, field technicians, electricians, and warehouse personnel). An unsafe working environment, may burden the company with compensation liabilities and other legal costs, while hurting the company's reputation. According to the inspections of the risk assessments conducted by the Health and Safety business unit, the most significant hazards in the workplace are the ones that the technical staff is exposed to, and caused by the following situations:

- 1) Improper use of Personal Protective Equipment (P.P.E.), which aims to reduce the severity of an injury.

- 2) Underground work, which is performed for the purposes of repair or maintenance. An underground construction site, being a confined space with stagnant (dirty) water, which can be a source of infections, puts health and safety at stake, especially when combined with improper use of P.P.E.
- 3) Work on poles, which can also lead to accidents while working, especially when combined with improper use of P.P.E.
- 4) Improper use of ladders, which is performed for repair or maintenance purposes.

OTE ensures that the technical staff is always equipped with P.P.E., which is always up to date, certified and audited for its integrity and its date of expiry and renewed according to the standards defined by legislation. Moreover, the Company is conducting trainings and continuous awareness' actions of the technical staff. Technicians participate regularly to seminars, which are continuously enriched (e.g., interactive training).

Apart from the customized actions related to the demanding workload of technicians, all OTE Group employees are covered by private health insurance contracts, compensation programs for health issues, and have occupational physicians at their disposal.

During the Covid-19 pandemic, the Company, through the Health & Safety unit, ensured from the outset the necessary means and protection conditions from the virus, by providing regularly information on individual protection measures for employees. Since the beginning of the pandemic, 80% of personnel worked through remote access, while frontline employees (field technicians/ stores) were immediately equipped with healthcare supplies, special type overalls & goggles, at the required quantities. In addition, frontline employees in technical departments and stores nationwide had their own health consultant through a series of live digital sessions with the team of Occupational Physicians. At the same time, for all employees, updates were provided, through various communication channels (dedicated phone line for communication with the medical team, e-mail for questions regarding the pandemic and 24/7 telephone line for psychological support) with general as well as special instructions depending on the workpiece of the units and also for the facilities (e.g. in the transition to/from the workplaces, safe movement in the spaces within the facilities, and also in the customer's space). Furthermore, where necessary, disinfection was carried out, in accordance with the appropriate instructions of the state and at the same time maintenance/cleaning of the air conditioning units of all facilities was launched. In the meantime:

- Concerning health: Our Group in collaboration with specific diagnostic centers, secured preferential prices for employees and their protected family members, to carry out, if they wish, a preventive molecular examination SARS Covid-19.
- Concerning mental health & balance: In collaboration with specialized partners, specially designed informative live webinars were conducted, aiming at well-being, self-improvement and maintaining work-life balance (topics related to parental role and resilience).
- Concerning well-being: A new dimension was given to actions for prevention and promotion of health and well-being. Reshaping the current data according to the peculiarities of this period, digital actions were implemented for all employees nationwide aimed to maintain good physical condition and adopt healthy nutrition tips,.
- Concerning the social impact: Two (2) rounds of voluntary blood donation were conducted, as it is established in our Group, that are taking place every six (6) months, respecting all the required measures for safety and health of the participants.

Throughout this period, the Company follows the official, governmental guidelines and adjusts properly its business functions (implementation of considerable proportions of remote work, operational modification of stores in high risk of COVID-19 exposure regions, among others). The pandemic disease still is an integrated part of our everyday life, and the Company, through its Health & Safety unit, continues to care and supervise the keeping of all necessary rules, measures and guidelines for the protection of all the associates and their families as also as the customers and the other stakeholders.

### **Compliance, Corruption, Bribery and Human Rights**

Compliance stands for a solid commitment to the principles of integrity, transparency, justice, professionalism, team spirit, and of respect to the rules, principles which are essential to govern the functions of the Company.

Compliance violations (e.g. fraud, corruption, bribery, embezzlement, theft, money laundering, falsification of financial statements (company/separate and consolidated), unfair competition, workplace discrimination, human rights violations and any misconduct which could harm the Company's reputation, or any attempts to conceal the above) which are committed either within the Company or outside the Company involving business partners (e.g. customers, suppliers or distributors) who are doing business with the Company, could have an adverse impact on the Company's financial position and reputation and might lead to fines, sanctions and limitations in business operations. We note that the OTE Group companies take all the required measures in order to ensure that the whistle-blowers who report incidents of misconduct by providing accurate information that is plausible, will be protected from any retaliation resulting in personal, professional or financial damage.

In order to avoid risks of non-compliance with the legislation in force as well as other legal consequences for the Company and its Employees, the Management has adopted and implemented a Compliance Management System (CMS), in the framework of which the Management has also adopted a Whistleblowing Process ("Tell Me") and the relevant [communication channels](#).

Moreover, in the context of the System's implementation, OTE Group Codes and Compliance Policies have been adopted in order to cover important operations and procedures of the Company, including, inter alia, the Code of Conduct, the Code of Human Rights and Social Principles, the Supplier Code of Conduct, the Policy on Avoiding Corruption and other Conflicts of Interest, the Anti-Fraud Policy, the Policy on Accepting and Granting of Benefits, the Donation Policy, the Sponsoring Policy, the Policy on Anti-Trust Law as well as the Policy on Insider Trading.

#### **Critical Enterprise Contracts and Business Resilience**

Associated advances and continuous changes in technology make telecommunications services even more critical for small, medium and large businesses (e.g. cloud, mobile, fixed technologies and solutions). This market segment requests from telecom providers a higher level of customer service in order to support these advanced and personalized solutions. Competition is focused mostly on innovative services and it depends heavily on the ability to deliver products and services in a reliable and timely manner.

OTE Group aims to ensure the maintenance and improvement of existing networks and installations, upgrade existing systems and adapt new technologies, in a manner that minimizes business interruption and contributes to business resilience, in order to provide customers with high quality and innovative services. In addition, OTE Group has adopted and implemented proactive and reactive mitigation measures in order to ensure the continuation of operations. A failure to deliver these high-value and complex services on a continuous and uninterrupted basis may lead to revenue reduction and increase of restoration costs (e.g. ICT disruptions, Network and IT infrastructure failures, etc.). Each of these events might have an adverse impact on the level of customer experience and satisfaction as well as on the company's reputation and image.

### **E. NON FINANCIAL REPORT**

OTE Group uses technology and its capabilities to create a better world for all. At the same time, it enhances its sustainable entrepreneurship, while, contributing to the economy, the society and the environment.

Sustainability is an integral component of OTE Group's business strategy and its Sustainability Principles are integrated into its operation.

#### **Responsible Business**

OTE Group operates responsibly throughout its value chain, aiming to stand as an example. In this framework, it applies and develops procedures, policies, tools, systems and mechanisms to manage issues regarding risks and compliance, human rights, business continuity, security and data privacy, as well as responsible procurement and supply chain.

#### **Employees**

OTE Group provides a sustainable and technologically advanced working environment for its employees. It fosters a culture of growth, encourages and pursues diversity, recognizes high productivity and offers unlimited development and training opportunities, leveraging the opportunities that technology offers for education by investing in digital tools in order to enhance digital skills for all. The Group encourages cross-departmental collaboration, cooperation, interaction and open communication between teams, in order to provide the best customer experience. At the same time, it focuses on issues related to the health and safety and well-being of its employees, by quickly activating, when necessary, response mechanisms in times of disruption (such as in the Covid-19 pandemic), by creating a safe working environment for the benefit of its customers and society.

#### **Customers**

The Group connects people, within a world of unlimited digital possibilities, aiming to increase everyone's quality of life. It is the largest investor in new technologies and infrastructure in Greece and the largest technology company in the country. At the same time, it develops innovative products and services, which contribute to the sustainable development, with environmental and social benefits for all.

#### **Society**

OTE Group contributes to the development of digital skills of people of all ages, providing equal access to new technologies for all. It conducts various social contribution and corporate volunteering initiatives, aiming to support vulnerable social groups, children, education, local communities, entrepreneurship, culture and sports.

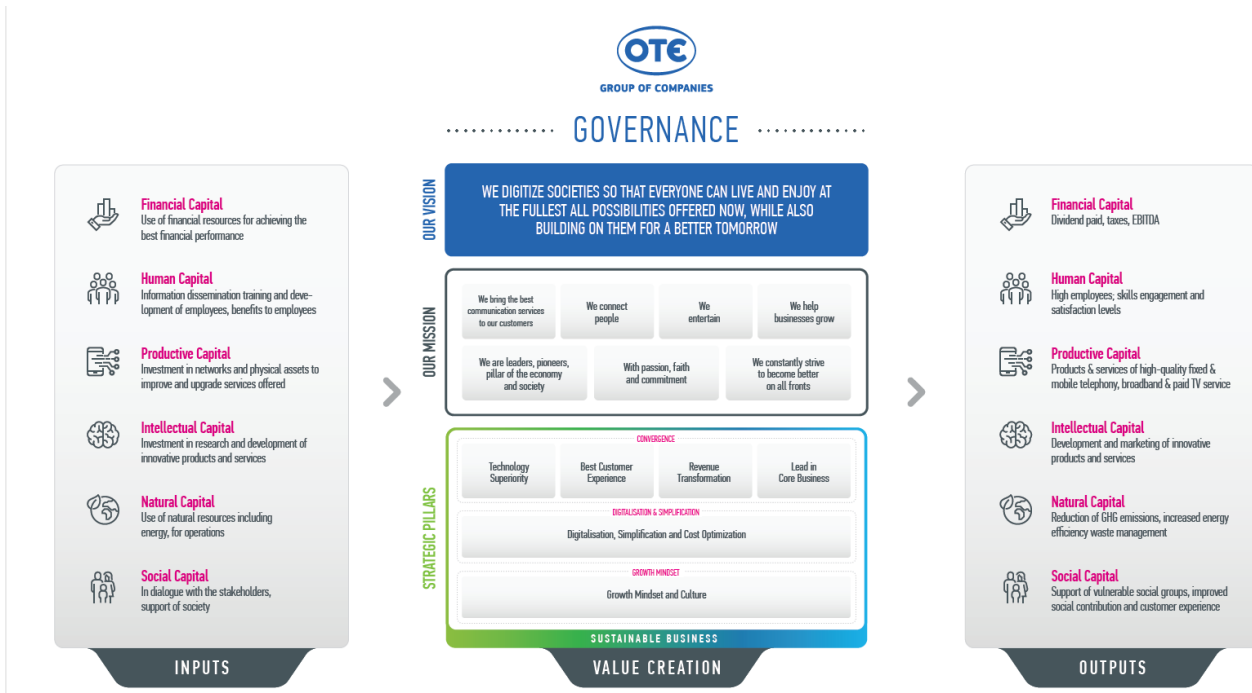
#### **Climate and Environment**

The Group aims for financial growth in accordance with environmental responsibility in all aspects of its performance. The most important objectives of the Group's environmental strategy, is its contribution to climate change and the continuous integration of the circular economy principles into its activities. The targets seek to minimize the environmental impact of its activities, on the development and provision of products and services, which allow the enhancement of productivity and protection of the environment in other sectors and on informing and raising awareness for its stakeholders.



**Business model**

The OTE Group business model aims to create value for its shareholders, its customers, the society, its employees and the environment. The Group's efficient operation and high competitiveness lead to positive economic results, a fact that allows it to reinvest in the business so as to create more value for all its stakeholders in the short, medium and long term.



## Sustainability Governance

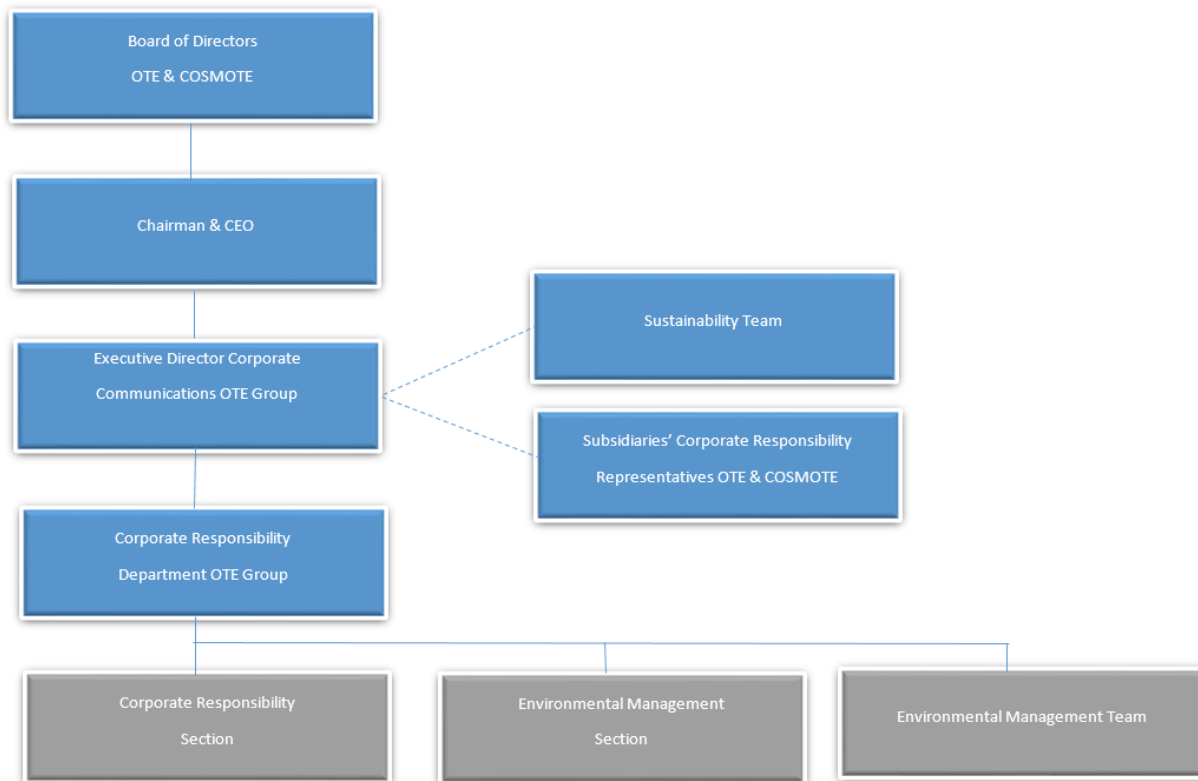
The governance structure, through which sustainability issues are embedded in the key business processes, is reflected in the OTE Group Sustainability Policy.

The OTE BoD is responsible for the corporate responsibility performance of the Group and represents its interests in corporate responsibility and sustainable development issues related to the Group. Within this context, the BoD monitors the progress of the Group's sustainability targets on an annual basis. The Chairman and CEO of OTE Group is responsible for the overview of the sustainability targets and their progress.

The subsidiaries are responsible for implementing the standards, requirements and sustainability objectives of the Group and also for developing and implementing programs on the basis of local needs.

<p><b>OTE Board of Directors</b></p> <p><b>Board of Directors</b> Approves Group-wide sustainability policies, position papers and significant strategic projects, as needed</p> <p><b>Chairman and CEO</b> Oversees OTE Group sustainability strategy and performance</p>	<p><b>OTE Subsidiaries' Boards of Directors</b></p> <ul style="list-style-type: none"> <li>• Following OTE Board of Directors approval, approve the adoption of Group-wide sustainability policies, positions, strategic-projects</li> <li>• Are responsible for measures to implement sustainability policies / strategy</li> </ul>
<p><b>Executive Director Corporate Communications OTE Group</b></p> <p><b>Executive Director Corporate Communications OTE Group</b> Executive Director</p> <ul style="list-style-type: none"> <li>• Recommends Group-wide sustainability policies, assigns work and strategic actions etc.</li> <li>• Cooperates with the Chairman and CEO on sustainability issues and informs the BoD seeking guidance or approval, if applicable</li> <li>• Formulates Group-wide sustainability strategy, policies guidelines and sustainability programs</li> <li>• Acts as the central interface between sustainability bodies and as the official representative of the OTE Group in all aspects of sustainability</li> </ul> <p><b>Corporate Responsibility Department Fixed and Mobile (CRD)</b></p> <ul style="list-style-type: none"> <li>• Develops sustainability strategy, policy and programs (in the form of strategic policies)</li> <li>• Prepares the decisions to be made by the Executive Director Corporate Communications OTE Group or Board of Directors</li> <li>• Coordinates and monitors implementation of sustainability policies, develops indicators and monitors progress towards target achievement</li> <li>• Runs the OTE Group Corporate Responsibility Managers Network and supports the DT Group Corporate Responsibility Managers Network</li> </ul>	<p><b>OTE Group Corporate Responsibility Managers' Network*</b></p> <ul style="list-style-type: none"> <li>• Disseminates Group-wide expertise on sustainability issues</li> <li>• Facilitates communication between international subsidiaries / business areas</li> </ul> <p>*OTE Group Corporate Responsibility Managers' Network participates in DT Group Responsibility Managers Network</p>

## Organization Structure



## Systems and Policies

The Group has established and applies a **Compliance Management System (CMS)** and a **Risk Management System (RMS)**. In the framework of the Systems' operation, relevant Codes, Policies and Processes have been adopted, defining the Group's approach to issues related to Compliance, Enterprise Risk Management, Human Rights and Sustainable Development. Both Systems are certified in accordance with relevant ISO standards.

In 2020:

- a) The following **Principles/Policies** of corporate code of conduct and compliance were amended at OTE Group level:
  - The OTE Group Guiding Principles
  - The OTE Group Event Policy
- b) **114** training courses regarding topics related to Compliance, Risk Management and Human Rights issues were held. Moreover, an "Ethical Leadership" e-learning course, that was addressed to employees in position of responsibility at OTE Group, was conducted.
- c) **Awareness campaigns regarding Guiding Principles, Anti-corruption, Anti-fraud and Human Rights issues** took place at all OTE Group companies.
- d) The **Group's risk culture** was enhanced, via awareness-raising actions (i.e. meetings, workshops/trainings and distribution of material regarding the Risk Assessment Methodology, the Risk Appetite and the Risk Culture's Core Beliefs of the Group).
- e) **Compliance Management System (CMS) Assessments** regarding Compliance / HR / Procurement / Sales controls were conducted at OTE Group companies and a series of actions for the enhancement of CMS were drafted.
- f) The annual **Compliance Risk Assessment** was conducted at OTE Group companies. A relevant Compliance Measure Plan will be implemented in 2021.

Information regarding the Compliance Management System and the Risk Management System is included in the following Section [F. Corporate Governance Statement](#) (“[C. “Corporate Governance practices above the requirements of the Law”](#)” and “[G. Internal control and risk management systems of the Company in relation to financial reporting process](#)”, respectively).

### Integrated Management System

The **Integrated Management System (IMS)** implemented at OTE Group is based on the Corporate Process Model and its systematic assessment, documentation, and improvement.

It is comprised of the following certifications in the leading companies of the Group, according to the table below.

Company/Standard	OTE	COSMOTE	Telekom Romania Mobile Communications
Integrated Management System, as per PAS99	√	√	-
Quality Management System, as per ISO 9001	√	√	√
Environmental Management System, as per ISO 14001	√	√	√
Occupational Health & Safety Management System, as per ISO 45001	√	√	√
Information Security Management System, as per ISO 27001	√	√	√
Business Continuity Management System, as per ISO 22301	√	√	√
Information Technology - Service Management, as per ISO 20000-1	√	√	√
Energy Management System, as per ISO 50001	√	√	-
Risk Management System, as per ISO 31000	√	√	√
Anti-bribery Management System, as per ISO 37001	√	√	√
Compliance Management System, as per ISO 19600	√	√	√
General Requirements for the Competence of Testing and Calibration Laboratories, as per ISO 17025	-	√	-
Principles and Guidelines for Good Distribution Practice of Medical Devices acc. to Decision No. 1348/04	√	√	-
Industrial Safety Certification (EKBA)   Greek Legislation “Government Gazette B 336 - 16.03.2005”	√	√	-

OTE and Cosmote Integrated Management System 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. These reports relate to the design and operational effectiveness of controls and the respective control environment delivered to ICT customers, in the context of Data Hosting, IT Service Desk and Managed Security Services.

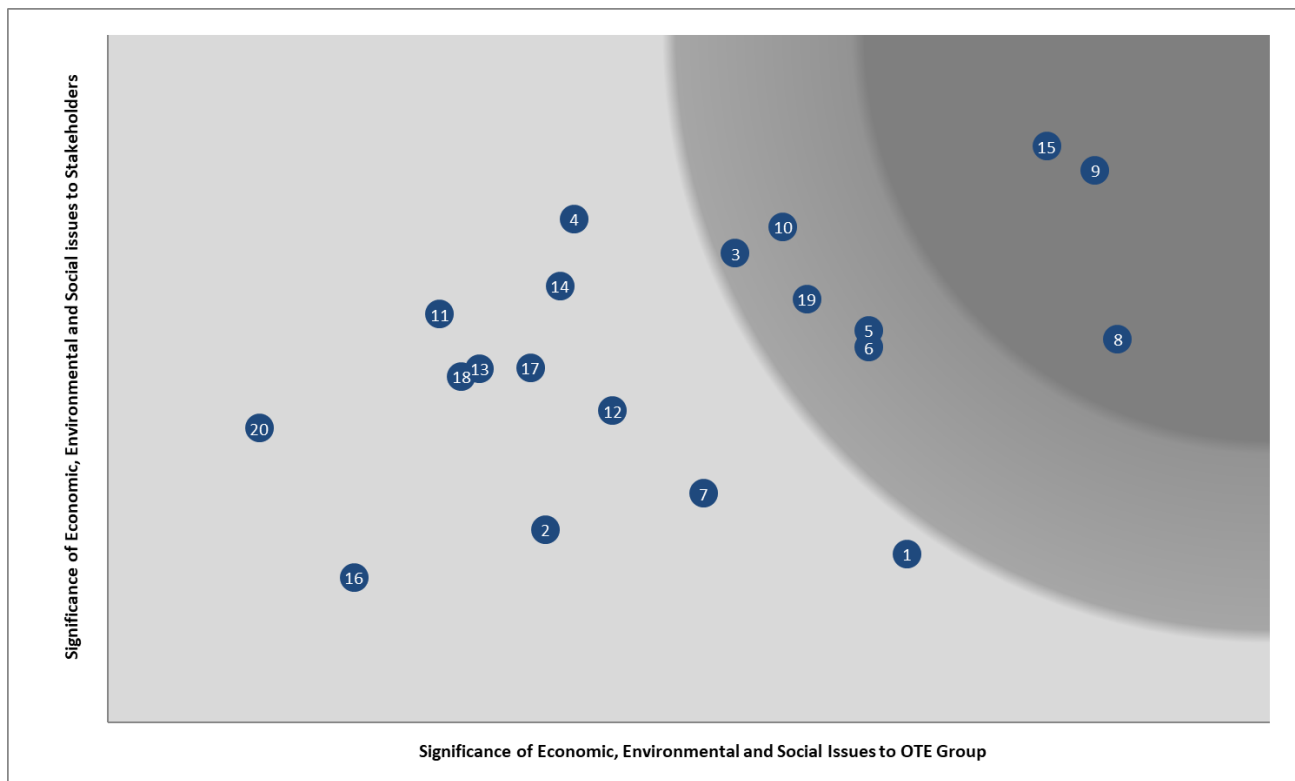
In addition, Cosmote e-Value and OTEAcademy operate a certified Quality Management System as per ISO 9001. Cosmote e-Value also operates a certified Information Security Management System as per ISO 27001.

### Materiality Analysis

The OTE Group companies identify the most important issues of their sustainable development through the “Analysis of material issues” carried out in accordance with the Group's unified Enterprise Risk Management methodology.

In 2020, OTE Group conducted a materiality analysis through the participation of OTE Group's Senior Management and engagement of its stakeholders (namely Shareholders, bondholders investors and analysts; Customers and prospective customers; Employees and their representatives; Business; Organizations of science, research and education, NGOs and interest groups; Media; State/Government entities; Suppliers), and as a result identified key risks and opportunities. As part of the analysis 14 Senior Management members took part in the evaluation by assessing the likelihood of occurrence and the impact of all the listed issues for OTE Group. In addition, 2,450 stakeholders submitted their opinions by rating each issue (using a 5-grade scale) through an online questionnaire. The aim of the questionnaire was to capture each issue's importance with respect to the stakeholder's decisions regarding OTE Group. Customer Service and Satisfaction, Data Security and Privacy and Business Continuity have been identified as the most prominent topics that are of greatest relevance to OTE Group's operations and to society as a whole.

All available data were evaluated in order to be used in the Group's operations planning and strategy. The key issues were included in its risk map (see section ["Risks and uncertainties for the next year"](#)).



- |                                             |                                                                |
|---------------------------------------------|----------------------------------------------------------------|
| 1 Economic performance                      | 14 Responsible Communication with Customers                    |
| 2 Governance and management                 | 15 Customer Service and Satisfaction                           |
| 3 Ethical Business Practices                | 16 Community Engagement and Impact from the Group's Operations |
| 4 Human Rights                              | 17 Energy and Climate Change                                   |
| 5 Fair Employment and Employee Management   | 18 Circular Economy                                            |
| 6 Employee Training and Skills Development  | 19 Electromagnetic Fields (EMF)                                |
| 7 Responsible Supply Chain                  | 20 Other Environmental Aspects                                 |
| 8 Business Continuity                       |                                                                |
| 9 Data Security and Privacy                 |                                                                |
| 10 Employee Health, Safety and Wellness     |                                                                |
| 11 Digital Society                          |                                                                |
| 12 Products and Services for Sustainability |                                                                |
| 13 Safe and Responsible Use of Technology   |                                                                |

## Resilience and response to COVID-19

### **Business Model**

Amidst the financial and social-distancing consequences that were incurred by the outbreak of the pandemic and the imposition of national lockdowns throughout Greece and Romania, OTE Group continued to offer its services to all its customers and maintained a strong relationship with its suppliers without any payment interruptions. The Group took all appropriate measures to keep its retail network open under a strict timetable, while 90% of customer care employees worked remotely from home in order to continue to offer all services to everyone, following all the safety measures instructed by the state. At the same time, in order to manage the high network load for internet provision that stemmed due to the majority of the Group's customers working remotely, OTE Group took appropriate actions to ensure that there were no network interruptions as well as safeguard that people can access a suitable device, with sufficient data and internet speeds. As such, it enabled more than 2,500 field technicians to work safely during the pandemic. By providing all necessary protective equipment such as protective masks and gloves, they successfully manage to handle more than 25,000 requests per week.

Furthermore, as part of OTE Group's contingency plan against an upcoming health crisis, the "OTE Group Crisis Management Team COVID-19" was established. The role of the team is to ensure that all necessary actions are taken to prevent any detrimental consequences that may emerge by an upcoming pandemic, monitor the enforcement of all policies related to the safety of the Group's employees and fortify the Group's ability to continue to offer telecommunication services to its customers. The team consists of executives from the business units: Risk Management, Business Continuity, Health and Safety, Human Resources, Procurement, Corporate Real Estate Management, Corporate Communication. All safety measures taken by the Group were communicated to employees through all internal channels, with safety equipment provided to everyone. A dedicated 24/7 Health and Safety Hotline was created and has been operating since the outbreak of the pandemic in March. Since March and up to December, the Hotline received and handled more than 7,000 calls. Lastly, both the Legal and Security Department made sure of resolving any issues that might have arisen regarding access to systems, network security and company data.

### **Employees**

Since the beginning of the COVID-19 pandemic, OTE Group immediately activated mechanisms in order to respond to emergencies and special conditions, with a priority on the health and safety of its employees, as well as ensuring its uninterrupted operation and continuous service provision to its customers. During the first nationwide lockdown in Greece, enforced in early March, 80% of OTE Group employees (~13,000 employees) were tasked to work remotely, with the exception of the employees working in the retail network and field technicians. The Group was proactive from the beginning of the pandemic's outbreak and provided its employees with all necessary equipment where needed. Its aim was to ensure that all employees were able to continue to work effectively. During the lockdown, the Group's focus was its employees' well-being and the maintenance of ethical working practices. Indicatively:

- digital learning programs for its employees were enhanced through digital platforms
- no salary cuts were made
- no mobile fees were charged to OTE Group employees

Moreover, the Group decided to give an extra bonus (spot bonus) to employees working in the retail network and field technicians, as an acknowledgement of their efforts and commitment during this challenging time. Around Euro 1.6 was awarded and distributed to more than 1,800 employees.

OTE Group immediately activated mechanisms in order to respond to all emergencies and special conditions concerning employees, customers and society and as such made social contribution (monetary and in-kind) of more than Euro 12.

A dedicated section in the company's intranet and website has been created to inform employees and customers on all COVID-19 related measures that OTE Group takes as well as on updates regarding the products and services offered.

### Indicative Indices for 2020

In the following table, the indicative performance indicators for 2020 are depicted. The indicators have been selected taking into account the sustainability reporting guidelines of the Global Reporting Initiative.

Indices:	OTE	OTE Group <sup>1</sup>
Employees covered by collective bargaining agreements (%) <sup>2</sup>	100	82
Women employees (%)	29 <sup>3</sup>	40 <sup>4</sup>
Fatal work accidents (number of employees) <sup>5</sup>	0	0
Non-fatal work accidents (number of employees) <sup>5</sup>	64	80
Court convictions for corruption against the company or its employees in relation to their professional activities (number of convictions)	0	0
Social contribution (€) <sup>6</sup>	2,010,025	5,091,138
Electricity consumption (GWh) <sup>7</sup>	231.37	558.60
Direct and indirect CO <sub>2</sub> emissions from energy (t)	134,749	293,766
Direct and indirect (market-based) CO <sub>2</sub> emissions from energy (t)	62	37,504
Recycling of phone devices and accessories (t)	7.76	18.51
EMF measurements (number of measurements) <sup>8</sup>	1	28
Suppliers evaluated (% of the annual procurement value) <sup>9</sup>	87	89 <sup>10</sup>

<sup>1</sup> Data refer to the companies OTE, COSMOTE, GERMANOS, OTE Globe, OTEAcademy, COSMOTE e-Value, and Telekom Romania Mobile Communications, which contribute approximately to 99% of OTE Group consolidated revenues, as presented in the section [A. Financial and Operational Highlights of 2020](#).

<sup>2</sup> Refers to employees covered by Companies Collective Bargaining Agreements.

<sup>3</sup> The percentage refers to 2,101 women and who are permanently employed by OTE.

<sup>4</sup> The percentage refers to 4,903 women, who are permanently employed by OTE, COSMOTE, GERMANOS, OTE Globe, OTE Academy, COSMOTE e-Value, and Telecom Mobile Communications, which contribute about 99% of the consolidated income of OTE Group as presented in [A. Financial and Operational Highlights of 2020](#)

<sup>5</sup> Fatal work accidents and non-fatal work accidents do not contain incidents from strictly natural causes, as well as incidents which didn't result to days of absence from work.

<sup>6</sup> Including financial and in kind contribution.

<sup>7</sup> Energy consumption is calculated based on energy consumption records per installation for OTE, COSMOTE, GERMANOS, OTE Globe, OTEAcademy and COSMOTE e-Value, and energy consumption expenditure records per installation for Telekom Romania Mobile Communications.

<sup>8</sup> Ad hoc measurements conducted by independent institutions or national authorities and own laboratories.

<sup>9</sup> The percentage refers to the annual volume of supplies that was evaluated to the annual volume of supplies corresponding to suppliers that meet the criteria of the evaluation based on the company's process. Suppliers to be evaluated are selected on the basis of purchase orders issued within 12 months. The evaluation period covers the period from 1/10 of the previous year to 30/9 of the reference year. All suppliers are evaluated: (a) with orders worth more than Euro 2, (b) providing important types of supply (i.e. products and services that have a significant effect on the products and services provided to customers) worth over Euro 500,000 (absolute amount), (c) of products / services related to OTE Group Integrated Management System. In addition, the Group evaluates certain suppliers who did not meet the above criteria but were proposed for evaluation by OTE Group Managers. Includes high value supplies, product and service supplies that affect the end products / services provided to customers, as well as high risk products as defined internally. Supplies from affiliates, merchant, interconnection, roaming supplies, and sponsorships-donations are excluded).

<sup>10</sup> Data refer to the companies OTE, COSMOTE, GERMANOS, COSMOTE e-Value and Telekom Romania Mobile Communications

Detailed elements of the Group's approach and the performance of its companies will be presented in the 2020 OTE Group Integrated Report (June 2021).

## F. CORPORATE GOVERNANCE STATEMENT

This Statement covers all of the principles and practices adopted by the Company in order to ensure its efficiency, the interests of shareholders and all other interested parties.

The structure of this Corporate Governance Statement focuses on the following topics:

[A. Statement of compliance with the Corporate Governance Code](#)

[B. Deviations from the Corporate Governance Code and explanations](#)

[C. Corporate Governance practices above the requirements of the Law](#)

[D. Board of Directors and Committees that consist of members of the Board of Directors – Remuneration of the Board Members/ Compensation Report of executive Board Members - Other administrative, managerial or supervising corporate bodies or committees](#)

[E. General Meeting and Shareholders' Rights](#)

[F. Diversity policy with respect to the administrative, managerial and oversight bodies corporate](#)

[G. Internal Control and Risk Management Systems of the Company in relation to financial reporting process](#)

By strengthening its procedures and structures, the Company ensures not only the compliance with the regulatory framework, but also the development of corporate culture, based on the values of entrepreneurship and ethics and on the protection of shareholders' and other parties' interests.

As a company with financial instruments admitted to trading on the Athens Exchange, the Company duly complies, regarding corporate governance practices, with the legislation in force and with the Hellenic Corporate Governance Code (HCGC) for listed companies after its revision by the Hellenic Corporate Governance Council, in 2013.

The principles and practices followed by the Company are reflected in the Articles of Incorporation<sup>1</sup>, the Internal Regulation of Operations, the OTE Group Code of Conduct<sup>2</sup> and in other regulations and/or policies of the Company regulating its operations as described here below.

### [A. Statement of compliance with the Corporate Governance Code](#)

The Company follows the Hellenic Corporate Governance Code (HCGC), which can be found on the website [http://www.ecgi.org/codes/documents/hellenic\\_cg\\_code\\_oct2013\\_en.pdf](http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf)

### [B. Deviations from the Corporate Governance Code and explanations](#)

More specifically, on February 25, 2021, the following deviations should be mentioned from the HCGC:

(1) The Board of Directors has two (2) independent non-executive members out of a total of ten (10) members, in accordance with Article 3 paragraph 1 of Law 3016/2002, which meet the independence criteria of Article 4 paragraph 1 of same Law, but they do not represent at least 1/3 of the total number of the Board members. It is noted that the Company will take all appropriate actions so that the subsequent Board of Directors will consist of independent non-executive members of at least 1/3 of the total number of its Members, in compliance with Law 4706/2020 on corporate governance, which will come into force as of 17-7-2021 (Part A, paragraph 2.3 of the Code).

(2) All of the members of the Board of Directors are elected at the same General Meeting of the shareholders, at the end of their three-year term of office. During their term, new members may be elected, pursuant to the Law and the Company's Articles of Incorporation, in replacement of resigned members, for a term equal to the remaining of the resigned members' term (Part A, paragraph 5.1. of the Code).

(3) The Board of Directors Nomination Committee, which is different from the Compensation and Human Resources Committee, has been established for the nomination of candidates only as Independent non-executive members of the Board of Directors. Furthermore the Committee which was established by virtue of a decision of the Board of Directors (June 2019), has not published on the Company website its Regulation of Operations, with regard to its role and responsibilities, as this is under processing, however such Committee's role and basic responsibilities have been determined and approved by said decision of the Board of Directors and are published on the Company website. It is noted that the Company will take all appropriate actions so that the Board of Directors Nomination Committee will be competent for all the Members of the Board of Directors and also that the Committee's Regulation of Operations be published, in compliance with Law 4706/2020 on corporate governance, which

<sup>1</sup>[https://www.cosmote.gr/otegroup\\_company/investor\\_relations/corporate%20governance/eng/Articles\\_of\\_Incorporation\\_EGM\\_041220\\_EN.pdf](https://www.cosmote.gr/otegroup_company/investor_relations/corporate%20governance/eng/Articles_of_Incorporation_EGM_041220_EN.pdf)

<sup>2</sup>[https://www.cosmote.gr/otegroup\\_company/about\\_us/otegroup/corporate\\_governance/OTEGroup\\_CodeOfConduct2017\\_14p\\_A4\\_EN\\_web.pdf](https://www.cosmote.gr/otegroup_company/about_us/otegroup/corporate_governance/OTEGroup_CodeOfConduct2017_14p_A4_EN_web.pdf)



includes provisions on the Nomination Committee and the Committee's Regulation, coming into force as of 17-7-2021 (Part A paragraphs, 1.2 and 5.6 of the Code).

(4) The Board of Directors has decided (June 2019) the evaluation of the efficiency of the Board of Directors and its Committees at least every two years from an independent body, to which this project will be assigned following a BoD decision, in the context of a procedure that the Board of Directors will approve. Such procedure is under preparation. (Part A, paragraph 7.1 of the Code).

(5) The Compensation and Human Resources Committee consists of three (3) members of the Board of Directors, out of which two (2) are non-executive and one (1) is independent non-executive member, meeting the independence criteria of Article 4 paragraph 1 of Law 3016/2002. Therefore, the Committee does not consist in its majority of independent non-executive members of the Board of Directors. It is noted that the Company will take all appropriate actions so that the Compensation and Human Resources Committee will consist in its majority of independent non-executive Members, in compliance with Law 4706/2020 on corporate governance, which will come into force as of 17-7-2021 (Part C, paragraph 1.6 of the Code).

(6) The new members of the Board of Directors receive an induction briefing regarding the corporate issues, yet there is no program on the continuing professional development. However, the members of the Board of Directors communicate frequently with executives of the Company, as every proposal submitted to the Board is accompanied with the presentation by the Head of the respective business unit and the members have the opportunity to communicate with the executives. Furthermore, the members receive timely the proposals and the information, having the opportunity to request further clarifications and briefing. It is noted that the Company will take all appropriate actions for the establishment and implementation of a training policy for the Board Members, the managers and other executives, especially those engaging in the internal audit, risk management, compliance and IT systems, in compliance with Law 4706/2020 on corporate governance, which will come into force as of 17-7-2021 (Part A paragraphs 6.5-6.6 of the Code).

(7) The Regulation of Operation of the Board of Directors does not explicitly provide for the engagement of independent external advisors, however the Board, engages independent professional advisors every time this is deemed necessary for the exercise of their duties, practice that has been followed in the past. Also it has been explicitly provided for by a decision of the Board of Directors (June 2019) that the Compensation and Human Resources Committee and the Board of Directors Nomination Committee may use the services of an external consultant for the execution of their responsibilities, if deemed necessary, a possibility which will be included in their Regulations of Operations in a future amendment/approval. It is noted that the Audit Committee Regulation of Operations already explicitly provides for this possibility (Part A, paragraph 6.8 of the Code).

(8) Executive members of the Board of Directors contracts do not provide that the Board may demand full or partial recovery of any bonuses awarded on the basis of misstated financial statements of previous years or otherwise erroneous financial data used to calculate such bonuses and misconduct. However, the Company has established such control mechanisms ensuring that the financial statements are being drafted according to the IFRS and the best international practices in order to avoid any manipulation or falsification of the Company's financial statements (Part C paragraph 1.3 of the Code).

(9) The Company does not publish a summary of the minutes of the General Meeting of shareholders on the corporate website within five days from its meeting. However, immediately after the meeting a public announcement on the quorum of the General Meeting and its resolutions is issued. Within 5 days after the General Meeting, the voting results on each agenda item are available on the Company's website (Part D II paragraph 2.3 of the Code).

(10) The Secretary of the Board of Directors and the Head of the Internal Audit always attend every General Meeting, whereas in the Annual General Meeting the statutory auditor is also present. There is no respective practice for the entirety of the non-executive Board members to attend, however, the non-executive Board Members may attend at their discretion and the executive Members of the Board are always present at the General Meeting, answering questions of the shareholders and providing clarifications. (Part D II paragraph 2.4 of the Code).

(11) The Audit Committee, in case of renewal and not of a tender process for the appointment of a statutory auditor/audit firm, does not propose the terms of appointment of such auditor /audit firm (Part B, paragraph 1.5 of the Code).

(12) There is no separate Diversity Policy for the Board of Directors. However, the Board of Directors, by its decision for the establishment of the Board of Directors Nomination Committee (June 2019) with the responsibility to nominate candidates as independent non-executive members of the Board, has determined as responsibilities of the Committee (a) the determination of the selection criteria for the members of the Board of Directors, taking into account the need for diversity, including gender balance and (b) the periodic assessment of the size and composition of the Board of Directors. See also the "Policy on Employment Relationships within OTE Group". It is noted that the Company will take all appropriate actions for the preparation and implementation of a diversity policy for the Members of the Board of Directors, in compliance with Law 4706/2020 on corporate governance, which will come into force as of 17-7-2021. (Part A, paragraph 2.8 of the Code).

(13) There is no separate policy for the handling of the conflicts of interests among members of the Board of Directors or persons to whom powers have been delegated. However, in the context of the compliance management system, the Board of Directors has approved the "OTE Group Policy on Avoiding Corruption and other Conflicts of Interest", which includes in its scope the executive members of the Board of Directors and all Company's employees. It is noted that the Company will take all appropriate actions so that the foregoing "OTE Group Policy on Avoiding Corruption and other Conflicts of Interest" will include provisions

especially for the Board Members, in compliance with Law 4706/2020 on corporate governance, which will come into force as of 17-7-2021. (Part A, paragraph 4.2 of the Code).

For the issues referred in this Statement as deviations from the HCGC and which are not regulated by the provisions of Law 4706/2020 on corporate governance coming into force as of 17-7-2021, the Company will proceed or already proceeds with the necessary adjustments in order to minimize the deviations from the HCGC, with the purpose to eliminate them.

### C. Corporate Governance practices above the requirements of the Law

OTE Group has developed and applies, since May 2009, a [Compliance Management System](#) (CMS), regarding the compliance of all (personnel and management) with the legislation in force and with internal policies, aiming at avoiding of risks and legal consequences for the Company and personnel – employees, executives and management. The CMS safeguards the Company, Company's employees', customers', suppliers' and shareholders' interests.

The key elements of the CMS are:

a) the prevention of misconduct along with compliance with the policies, in order for the Company and its employees to be protected from legal consequences due to misconduct. Additionally, the CMS contributes to reducing reputational risks for the Company and the Group. Prevention is achieved mainly through:

- the development of Compliance Policies and Procedures for OTE Group Companies.
  - employees' training, aiming to inform them about the risks of corruption, fraud, misuse of personal data, manipulation of financial statements, disclosure of inside business information, etc.
  - the conduct of a Compliance Risk Assessment annually, in cooperation with the business units, aiming at the identification and assessment of important risks and at the determination of necessary actions and measures for risks' controlling and mitigation.
  - the communication channels that have been developed, so that employees can submit questions regarding the implementation of the Policies, in case they are uncertain as to how they should handle issues that come up in their daily work.
- b) the detection of compliance violations, the investigation thereof and the proposal of remedies and measures deemed necessary. In order to provide the possibility of filing a tip-off regarding violations of policies, regulations and of the legislation in force, the Company has established the Whistleblowing Policy and the relevant communication channels.

In the framework of the CMS, specific Policies/Codes have been adopted by the Company and Group-wide describing the principles and rules that apply to OTE Group and specific procedures are followed. Specifically, among others, the following Policies/Codes have been adopted:

- OTE Internal Regulation of Operations
- OTE Group Code of Conduct
- OTE Group Supplier Code of Conduct
- OTE Group Code of Human Rights and Social Principles
- OTE Group Code of Ethics for Senior Financial Officers
- Binding Corporate Rules Privacy (BCRP)
- OTE Group Whistleblowing Policy
- OTE Group Anti-Fraud Policy
- OTE Group Policy on Insider Trading
- OTE Group Policy on Avoiding Corruption and other Conflicts of Interest
- OTE Group Policy on Accepting and Granting of Benefits
- OTE Group Donation Policy
- OTE Group Sponsoring Policy
- OTE Group Event Policy
- OTE Group Policy on Avoiding Sexual Harassment within OTE Group
- OTE Group Policy on Anti-Trust Law
- OTE Group Policy on Employee Relations within OTE Group
- OTE Group Sustainability Policy
- OTE Group Policy on Concluding Transactions with Related Parties

The CMS has been certified according to the international standard ISO 37001:2016 (Anti-Bribery Management Systems) and has received attestation according to ISO 19600:2014 (Compliance Management Systems) by the independent TUV HELLAS (TUV NORD) S.A. Certification Body, in Greece for OTE and COSMOTE, and in Romania for TELEKOM ROMANIA and TELEKOM ROMANIA

MOBILE. These certificates confirm that the Group, in its day-to-day business, complies with current legislation, its Code of Conduct and its internal Policies.

The effectiveness and the efficiency of the CMS are being supervised by the OTE Group Compliance, Enterprise Risks and Corporate Governance Committee, the Audit Committee and the Board of Directors.

**D. Board of Directors and Committees that consist of members of the Board of Directors – Remuneration of the Board Members/ Remuneration of executive Board Members - Other administrative, managerial or supervising corporate bodies or committees**

**1. Board of Directors (Role, Composition, Operation)**

**1.1.** The Board of Directors is the top administrative body of the Company. Its aim is to safeguard the general interests of the Company and ensure its operational efficiency.

**1.2.** Pursuant to the provisions of the Articles of Incorporation, as in force:

The Board of Directors consists of ten (10) members, following a resolution of the General Meeting of May 15, 2017 for the amendment of the relevant article of the Company's Articles of Incorporation. The members, which may be or not shareholders of the Company, are distinguished in executive and non-executive members; at least two (2) of the members of the Board must be independent. The members are elected by the General Meeting of shareholders, which also appoints the independent members, serving for a three (3) year term. Their term terminates at the completion of the Annual General Meeting of Shareholders of the year in which the three-year term has already been completed. The members can always be reelected and can be revoked any time by the General Meeting. In the event of resignation, death or any other reason of one or more than one members prior to the expiration of their term, the Board shall, with at least five (5) of the remaining members, present or represented, either elect substitute(s) for the remaining term of service of the member(s) being replaced and under the same capacity of executive, non-executive or independent members or, in case the number of the remaining Directors exceeds half of the members that existed before these events happened, continue the management of the business affairs and the representation of the Company without electing such substitute(s). If a member is elected from the Board of Directors in replacement of an independent member, then the elected member has to be independent as well. Any such election(s) are announced at the next General Meeting (Annual or extraordinary), which can replace the elected members, even if a relevant item has not been included in the agenda of said General Meeting. The actions of the replacing Directors, thus elected, are valid even if their election is not approved at the General Shareholders Meeting.

**1.3** Composition of the Board of Directors during 2020

The members of the Board of Directors from **1/1/2020** until **31/12/2020** appear at the following table, as well as the capacity of each member as Executive, Non-Executive or Independent, as they were designated by the General Meeting of Shareholders and the Board of Directors, at its formation into a body corporate:

Name	Capacity	Date of appointment and any re-appointment	End of Term
Michael Tsamaz	Chairman and CEO, Executive member	Appointment 3/11/2010 Re-appointment 12/6/2018 (the most recent)	2021
Eelco Blok	Vice-Chairman, Independent Non-Executive member	Appointment 12/6/2019	2021
Srinivasan Gopalan	Non-Executive member	Appointment 17/1/2017 Re-appointment 12/6/2018	11/1/2021
Robert Hauber	Non-Executive member	Appointment 12/4/2017 Re-appointment 12/6/2018	2021
Dominique Leroy	Non-Executive member	Appointment 9/11/2020	2021
Kyra Orth	Non-Executive member	Appointment 12/6/2018	2021
Michael Wilkens	Non-Executive member	Appointment 12/6/2018	2021
Charalampos Mazarakis	Executive member	Appointment 19/7/2012 Re-appointment 12/6/2018(the most recent)	2021
Vasilios Vassalos	Non-Executive member	Appointment 10/9/2019	2021

Name	Capacity	Date of appointment and any re-appointment	End of Term
Dimitrios Georgoutsos	Independent (since 29/6/2020) Non-Executive member	Appointment 10/9/2019	2021
Andreas Psathas	Independent Non-Executive member	Appointment 16/2/2016 Re-appointment 12/6/2018	24/6/2020

The changes to the composition of the Board of Directors during 2020 and until February 25, 2021 are summarized as follows:

- On 24/6/2020 Mr. Andreas Psathas, Independent Non-Executive member, submitted his resignation.
- On 29/6/2020 the Board of Directors appointed, temporarily (until the next first General Meeting), the existing Non-Executive member Mr. Dimitrios Georgoutsos, as Independent, in replacement of the above mentioned resigned Independent Non-Executive member. Afterwards, the Extraordinary General Meeting of the Company's Shareholders which was held on 4/12/2020 elected Mr. Georgoutsos as Independent Non-Executive member of the Board of Directors, for the remainder of the tenure of the resigned Independent member, namely until the date of the Annual General Meeting of the Shareholders of the year 2021.
- On 9/11/2020 the Board of Directors elected Mrs. Dominique Leroy as a new Non-Executive member in replacement of the resigned member Mr. Andreas Psathas. Mrs. Leroy Non-Executive was elected for the remainder of the tenure of the member she replaced, namely until the date of the Annual General Meeting of the Shareholders of the year 2021.
- On 11/1/2021, following resignation of the Non-Executive member Mr. Srinivasan Gopalan, the Board of Directors resolved on the continuation of the management of the business affairs and representation of the Company by the remaining nine (9) Board members, without electing, at the present time, a new member in replacement of the resigned one.

The CV's of those who served as members of the Board of Directors during the financial year 2020 and until February 25, 2021 appear here below; furthermore the CV's of the current members of the Board of Directors may be found on the Company's website: [https://www.cosmote.gr/cs/otegroup/en/cv\\_ote.html](https://www.cosmote.gr/cs/otegroup/en/cv_ote.html)

**Michael Tsamaz** *Chairman and Managing Director, Executive Member*

Mr. Michael Tsamaz heads OTE Group, the largest telecommunications provider in Greece and SE Europe, since November 2010. Under his leadership, OTE has been implementing a multilayered operational and financial restructuring strategy achieving its transformation from former Greek telecoms state monopoly into an efficient, integrated operator. He also leads OTE's mobile arm, COSMOTE, since 2007. COSMOTE, market leader in Greece, is today one of the best performing mobile operators in Europe. Since 2001, Michael Tsamaz held several senior roles within OTE, overseeing the course of its international investments and served as CEO and BoD member for a number of OTE and COSMOTE international subsidiaries. He also served as BoD member of EE, UK. Mr. Tsamaz is also Chairman of the Board of TELEKOM ROMANIA. Prior to his tenure at OTE Group, he held high ranking positions in Marketing, Sales and General Management for multinational companies such as Vodafone and Philip Morris. Mr. Tsamaz holds a degree in Business Administration from the University of New Brunswick, Canada.

**Eelco Blok** *Vice Chairman, Independent Non-executive member* Mr. Eelco Blok has almost 35 years' telecommunications experience at Dutch-based landline and mobile telecommunications company, KPN, where he was CEO for seven years until April 2018.

He started his career in Finance at KPN before becoming responsible for several businesses including Carrier Services, Corporate Networks and Network Operations.

In 2006, he was appointed as member of the KPN Board of Management, where he was consecutively responsible for the Fixed Division, Business Market – Wholesale - Operations and Mobile International. He was appointed CEO in April 2011.

From 2011 to 2017, Mr. Blok was co-chairman of the Dutch National Cyber Security Council, an advisory body of the Dutch government. He was also a Director for the international association GSMA from 2017 to April 2018.

He is a member of the Supervisory Board of PostNL, Signify, VolkerWessels and Fairphone, non-executive Director of Telstra and Advisor of Reggeborgh.

Mr. Blok received a graduate degree in Business Administration from Erasmus University Rotterdam and holds a Master in management from the University of Technology Delft and the Erasmus University Rotterdam.

**Srinivasan (Srini) Gopalan** *Non-executive member (until 11/1/2021)*

Mr. Srini Gopalan has taken up the post of Managing Director of Telekom Deutschland GmbH on November 1, 2020.

From January 1, 2017 to October 31, 2020 Mr. Gopalan was responsible for the Europe segment as a member of the Board of Management of Deutsche Telekom AG. During this time, he drove the convergence of fixed and mobile communications in the European national companies and initiated the 5G roll out.

Mr. Gopalan was previously Consumer Director India at Bharti Airtel Ltd. where he was responsible for the consumer business in 23 different regions of India, which covered broadband connections and satellite TV in addition to mobile communications. His work focused on generating USPs through innovative offerings, which helped differentiate Airtel in a highly price sensitive market. Before joining Bharti Airtel, Srini Gopalan worked in the UK for over ten years – at first in a number of functions for Capital One, an American financial services provider, which he left as Managing Director UK in 2009. He then worked as Chief Marketing Officer at T-Mobile UK, where he was responsible for marketing and sales. He was part of the management team that led T-Mobile UK to the joint venture with Orange, Everything-Everywhere. After this, he served as Director Consumer Business Unit at Vodafone UK for three years. Srini Gopalan studied Business Administration at the renowned St. Stephen's College in New Delhi and later earned his MBA at IIM Ahmedabad, India's leading business school.

**Robert Hauber** *Non-executive member*

Dr. Robert Hauber studied at the University of Stuttgart, University of Mainz and at the University of Massachusetts. He holds a Master degree (Dipl. Kfm.) and a doctoral degree (Dr.) - both in business administration. He serves Deutsche Telekom since nineteen years as a senior finance executive in several management positions. Before his career with Deutsche Telekom he worked for Hewlett Packard, Procter & Gamble and DaimlerChrysler, where he was involved in the merger between Daimler-Benz & Chrysler.

During 2011-2016 he was Chief Financial Officer, Vice Chairman of the Executive Management Board and Member of the Board of Directors of Slovak Telekom. Since July 2016 Dr. Robert Hauber took over within Deutsche Telekom the position of CFO/Senior Vice President and Head of Performance Management of the Segment Europe. In addition to this role he is the Chairman of the Board of Directors of Magyar Telekom, Member of the Board of Directors of Hellenic Telecommunications Organization (OTE) and Member of the Board of Directors of Deutsche Telekom Europe Holding.

**Dominique Leroy** *Non-executive member*

Since November 2020, Dominique Leroy is a member of the Board of Management of Deutsche Telekom AG, responsible for the Board Area Europe.

Dominique Leroy has over 30 years of experience in the consumer goods and telecommunication sector. She started her career at Unilever where her last position was Managing Director for Belgium and Luxembourg. In 2011 she joined Proximus where she quickly became Head of the Consumer Market and held the position of CEO from 2014 till 2019. During this time, she managed to turn around the company with a continuous growth phase and a strong customer experience focus. Over the last year, she was Advisor to Bain & Company.

Dominique Leroy has more than 10 years of Board experience, having been Board Member at Lotus Bakeries, Proximus, BICS, Royal Ahold Delhaize and Compagnie de Saint-Gobain.

She holds a Master's in industrial engineering and Management from the Solvay Business School in Brussels

**Kyra Orth** *Non-executive member*

Mrs. Kyra Orth studied Law at the University of Augsburg and at the University at Bonn. She holds a Master degree in Law (Second State Law Examination). She serves Deutsche Telekom for 24 years as a senior human resources executive in several management positions. Before her career with Deutsche Telekom she worked for Bosch-Siemens Household Appliances (BSH) in the legal department.

Since January 2014 she assumed the position of Senior Vice President Top Executive Management of Deutsche Telekom AG and reports directly to the Chief Executive Officer of Deutsche Telekom. From April 2003 to December 2013 she served as Senior Vice President Group Executive Management at Deutsche Telekom AG and was a Member of the Compensation Committee of T-Mobile US, USA.

In addition to her role she is Member of the Supervisory Board of T-Systems International GmbH and Member of the Supervisory Board of Telekom Mobility Solutions (DeTeFleetServices GmbH).

**Michael Wilkens** *Non-executive member*

Mr. Michael Wilkens holds a BA (honors degree) Finance and Accounting from Hochschule Bremen and Leeds Metropolitan University. He joined Deutsche Telekom in 2001 and has since held various senior management positions in Finance, International Sales and Marketing; he worked in Germany, Austria, UK and Poland. He was appointed Senior Vice President Group Controlling (FP&A) in October 2013. Prior to his career at Deutsche Telekom, he held senior positions in finance of e-plus GmbH and debitel AG in Germany. He is a member of the Board of Directors of the French/German Joint Venture BUYIN and chairman of its finance committee, and a member of the BoD of T-Mobile US. Additionally, Mr. Wilkens is a member in PE-like governed Advisory Boards of T-Mobile Netherlands and Deutsche Telekom's Tower-Co business.

**Vasilios Vassalos** *Non-executive member*

Mr. Vasilios Vassalos is a Professor of Informatics at the Athens University of Economics and Business. He is the author of over 70 research publications and two US patents and the Principal Investigator for many projects in the areas of Big Data Management, Medical ICT, Machine Learning, and Internet Technology.

Professor Vassalos' experience includes founding the software company Enosys Software (acquired by BEA Systems) and being the Chief Data Scientist for two international technology companies. He has been a member of the Board of Directors of the

Observatory of the Greek Information Society, the Stakeholder Board of the FET Flagship «Human Brain Project» and the Scientific Committee on Telecommunications of the Ministry of Transport and Communications. For the past 15 years he has been advising, consulting and collaborating with the public sector and industry, and mentoring and investing in startups.

Professor Vassalos has been an Assistant Professor of Information Systems at the Stern School of Business in NYU, a Visiting Professor at EPFL and a Marie Curie Fellow and Visiting Professor at UCSD. He received a Diploma in Electrical and Computer Engineering from the National Technical University of Athens, and his MS and PhD in Computer Science from Stanford University.

**Dimitrios Georgoutsos** *Independent Non-executive member*

Mr. Dimitris Georgoutsos is Professor of Finance at the Athens University of Economics and Business. He has taught at the Trinity College of the University of Cambridge and the University of Essex, and has worked as an economist in the Bank of Greece. He has been a consultant in portfolio investment companies and employed in the Ministry of Finance as a member of a working group on taxation of financial instruments and stability of the banking sector. He has been an elected Council member at the Athens University of Economics and Business during 2013-2016. He specializes in the areas of Financial Risk Management and International Finance. He has published more than 30 articles in international academic journals and two books on Taxation of Financial Instruments and on Bank Management.

Mr. Georgoutsos is a graduate of the University of Athens (B.A. in Economics), the London School of Economics (M.Sc. in Economics) and the University of Essex (Ph.D. in Economics).

**Charalampos Mazarakis** *Executive Member*

Mr. Charalampos Mazarakis, has over 20 years of professional experience, chiefly in senior management positions in Greece and abroad. Before joining OTE Group, in July 2012, as OTE Group General Financial Director, he was Group Chief Financial Officer (CFO) of the National Bank of Greece, and from 2008 until 2010 Group Chief Financial Officer (CFO) and Member of the Group Executive Committee of TITAN Cement Company.

Mr. Mazarakis served in various executive positions in Vodafone Group: Group Finance Director and BoD Member in Greece (1999-2006), CEO in Hungary (2006-2007), Chief Operating Officer and BoD Vice-Chairman (2007-2008). He held the position of Finance Director and Member of the BoD at Georgia Pacific-Delica in Greece (1997-1999), while prior to that, he worked as Financial Analysis Manager at Procter & Gamble, first in Athens and then as Financial Analysis Group Manager at the European Centre in Brussels. Mr Mazarakis holds a Bachelor's degree in Business Administration from the University of Piraeus (with distinction) and an MBA from the Fisher College of Business at The Ohio State University (Wielder Scholar), where he held the post of Teaching Assistant in Finance. He has been ranked among the 30 most distinguished Finance Managers of Europe under the age of 40 (CFO Europe magazine, 2002).

**Andreas Psathas** *Independent Non-executive member (until 24/6/2020)*

Mr. Andreas Psathas is a PhD Candidate at the School of Architecture of the National Technical University of Athens. He holds a Diploma in Rural and Surveying Engineering (N.T.U.A.) and is a member of the Registry of Certified Valuers of the Ministry of Economics. Since 2004 he has participated in several scientific unions and committees and has been a member of the Assembly Presidium of Technical Chamber of Greece (2013), and of the Scientific Committee of Expert Witnesses and Real Estate Valuers (2015). He worked at the Trans Adriatic Pipeline (TAP) (2014-2015), as Land Easement and Acquisition Manager, for EON Technologies. From August 2007 until August 2013 he was a member of the Body of Sworn-in Valuers of Greece, and he participated as an expert, in the major road concession projects, in other co-financed projects and in the estimation of the property of several Real Estate Investment Companies. He has also worked as a self-employed engineer and as an associate in many technical offices, contributing to several studies.

In addition, the C.V. of the Company's Secretary of the Board of Directors is hereby provided:

**Konstantinos Vogiatzis** - *Secretary of the Company's Board of Directors*

Mr. Konstantinos Vogiatzis was born in Athens in 1969 and is working in the OTE Group since June 1998. From February 1999 he performs the duties of the Secretary of the Board of Directors of COSMOTE and other subsidiaries of the Group. In parallel with his duties as Secretary of the Board of Directors of COSMOTE and other subsidiaries, from June 1998 until June 2010 was the COSMOTE responsible for Roaming Agreements (retail and wholesale). From 1991 to 1996 he worked as a freelancer in various major Marine companies in New York. From 1/1/2017 he assumed the duties of the Secretary of the Board of Directors of OTE Group. Mr. Vogiatzis holds a Bachelor of Arts in Political Science and History and a Master of Arts in Government and Politics from St. John's University in New York.

The members of the Board of Directors have notified the Company on the following professional engagements (including significant non-executive commitments in companies or non-profit organizations/foundations).

MEMBERS	CORPORATE NAME	PROFESSIONAL ENGAGEMENT
Michael Tsamaz	COSMOTE-MOBILE TELECOMMUNICATIONS S.A.	CEO and Chairman of the BoD
	TELEKOM ROMANIA COMMUNICATIONS	Chairman of the BoD
	COSMOTE TV PRODUCTIONS	CEO and Chairman of the BoD
	OTE INTERNATIONAL INVESTMENTS LTD	Chairman of the BoD
	OTE INTERNATIONAL SOLUTIONS S.A. (OTEGLOBE)	Vice-Chairman of the BoD
	GREEK-AMERICAN COMMERCIAL CHAMBER	BoD member
	SEV (HELLENIC FEDERATION OF ENTERPRISES)	BoD member (as OTEGLOBE representative)
	ALBA Executive Development and Applied Research in Business Administration (non-profit Association)	BoD member
Eelco Blok	REGGEBORGH	Advisor
	TELSTRA	Non-Executive Director
	SIGNIFY	Member of the Supervisory Board
	VOLKER WESSELS	Member of the Supervisory Board
	POSTNL	Member of the Supervisory Board
	FAIRPHONE	Member of the Supervisory Board
Srinivasan Gopalan	DEUTSCHE TELEKOM AG	Member of the Board of Management for Europe (until October 2020), Member of the Board of Management for Germany (since November 2020).
	Telekom Deutschland GmbH	Managing Director (since 11/2020)
	T-MOBILE POLSKA S.A.	Chairman of the Supervisory Board (till 10/2020)
	GSM Association	Board member (till 11/2020)
	T-MOBILE US	Director (till 10/2020)
	Deutsche Telekom Service GmbH	Chairman of the Supervisory Board (as of 11/2020)
	Deutsche Telekom Technik GmbH	Chairman of the Supervisory Board (as of 11/2020)
Robert Hauber	MAGYAR TELEKOM NYRT	Chairman of the Board of Directors
	DT EUROPE HOLDING GMBH	BoD Member
	DEUTSCHE TELEKOM SERVICES EUROPE	Member of the Supervisory Board
	Consortium 1 S.a.r.L. (Luxembourg)	Member of the Management Board
	Consortium 2 S.a.r.L. (Luxembourg)	Member of the Management Board
Dominique Leroy	GTS Central European Holding B.V.	Member of the Supervisory Board
	DEUTSCHE TELEKOM AG	Member of the Board of Management for Europe
Kyra Orth	DEUTSCHE TELEKOM AG	SVP Top Executive Management
	T-SYSTEMS INTERNATIONAL GMBH	Member of the Supervisory Board
	TELEKOM MOBILITY SOLUTIONS (DETFLEETSERVICES GMBH)	Member of the Supervisory Board
Michael Wilkens	DEUTSCHE TELEKOM AG	Senior Vice President Group Controlling
	BUYIN SA/NV	BoD Member
	T-MOBILE NETHERLANDS	Member of the Supervisory Board
	T-MOBILE US	BoD Member
Vasilios Vassalos	Athens University of Economics and Business	Professor
Dimitrios Georgoutsos	Athens University of Economics and Business	Professor
Charalampos Mazarakis	COSMOTE-MOBILE TELECOMMUNICATIONS S.A.	BoD Member
	TELEKOM ROMANIA COMMUNICATIONS S.A.	BoD Member

MEMBERS	CORPORATE NAME	PROFESSIONAL ENGAGEMENT
	TELEKOM ROMANIA MOBILE COMMUNICATIONS S.A.	Chairman of the BoD
	OTE- ESTATE	Chairman of the BoD
	OTE PLC	BoD Member
	GERMANOS S.A.	BoD Member
	E-VALUE INTERNATIONAL S.A.	Chairman of the BoD
	COSMOTE PAYMENTS S.A.	BoD Member
	COSMOTE TV PRODUCTIONS	BoD Member
	COSMOTE TECHNICAL SOLUTIONS S.A.	BoD Member (since 4/12/2020)
	TAIL WIND Shipping Company	Chairman of the BoD-Executive member
Andreas Psathas	Andreas Psathas	Private business for the provision of engineering services

It is noted that none of the Members of the Board of Directors participates in the Board of Directors of more than five (5) listed companies.

The Board of Directors deems that the Independent, pursuant to Article 4 of Law 3016/2002 as in force, non-executive members of the Board of Directors as of February 25, 2021, i.e. Messrs E. Block and D. Georgoutsos, are still independent.

#### 1.4. Powers of the Board of Directors, of the Chairman and of the Independent Vice-Chairman – Effectiveness evaluation

The Board of Directors, according to the Company's Articles of Incorporation <sup>3</sup> and as part of its responsibilities:

- Convenes Annual or Extraordinary General Meetings of shareholders and proposes on their agenda.
- Prepares and approves the Company's annual financial reports and submits them to the General Meeting of shareholders.
- Approves the Company's strategy and decides upon the establishment of subsidiaries or upon the Company's participation in the share capital of other companies (domestic or foreign) as well as the establishment of branches or offices (domestic or foreign).
- Is informed systematically on the course of the Company's business and the implementation of its plan with a view to protecting the Company's broader interests.
- Decides upon share capital increases through the issuance of new shares and convertible bonds, following the authorization granted by the General Meeting of shareholders.
- Decides upon the issue of convertible or exchangeable bonds.

The Board of Directors may delegate its powers to its members, Company's executives, third parties or Committees, determining the extent of such delegation, indicatively on the following, matters:

- financial issues,
- related to subscribers, subscribers' complaints – requests,
- related to labour law, health and safety of the Company's employees, who are employed by the Company on any kind of contractual or project basis,
- related to personal data of the Company's personnel, on intellectual property matters in case intellectual property rights are infringed by creation of archives, saving, processing, transmitting or distribution of works of intellectual property without the permission of the creators through IT systems owned or used by the Company,
- related to compliance with personal data legislation and privacy of communications,
- related to compliance with market police orders regarding the products and/or services of the Company,
- related to the products and/or services of the Company and/or third parties provided through the Company's network,
- related to compliance with fire brigade legislation or with police orders or with any administrative order concerning the operation of the Company's shops and infrastructure, technical or not.

Finally, beyond the provisions of the law, the Articles of Incorporation provide for special matters, which cannot be further delegated as the decisions on these matters should necessarily be taken by the Board of Directors, with the required majority and quorum, as provided in the Articles of Incorporation.

The Chairman of the Board of Directors is responsible for the operation of the Board. In particular, the Chairman convenes the meetings of the Board of Directors, sets the agenda and chairs such meetings, coordinates the works of the Board of Directors,

<sup>3</sup>[https://www.cosmote.gr/otegroup\\_company/investor\\_relations/corporate%20governance/eng/Articles\\_of\\_Incorporation\\_EGM\\_041220\\_EN.pdf](https://www.cosmote.gr/otegroup_company/investor_relations/corporate%20governance/eng/Articles_of_Incorporation_EGM_041220_EN.pdf)



ensures that the minutes of the BoD meetings are kept, signs the minutes, issues copies or excerpts thereof and includes certain items in the agenda following a relevant request by the Independent Non-Executive Vice Chairman or two (2) members of the Board of Directors. The Chairman also signs the annual financial statements of the Company. In other respects the Chairman has the same rights and obligations as any other member of the Board of Directors, as well as those explicitly prescribed in Law, the Articles of Incorporation and the Regulation of Operations of the Board of Directors.

The Independent Non-Executive Vice Chairman of the Board replaces the Chairman in case of absence or impediment, coordinates the co-operation between the non-executive and executive members of the Board of Directors and their effective communication, chairs the meetings of the non-executive members of the Board of Directors (without the presence of the executive members) whereby the performance of the executive members of the Board of Directors is evaluated, chairs the evaluation procedure of the Chairman by the Board of Directors and is at the disposal of the shareholders of the Company for meetings with them for corporate governance issues. The Independent Non-Executive Vice Chairman may also request the Chairman to include certain items in the agenda of the Board of Directors' meetings.

The Board of Directors shall meet whenever deemed necessary or upon request to the Chairman by at least two (2) members. Without prejudice to the relevant articles of the Articles of Incorporation on specific quorums and majorities on special matters, the Board of Directors is in quorum and convenes validly when half-plus-one of its members are present; nevertheless, the number of members present should not be less than three (3). Resolutions are reached by simple majority, unless otherwise provided by the legislation in force or by the Company's Articles of Incorporation.

Under the decision of the Board of Directors dated June 12, 2019:

The effectiveness of the Board of Directors will be evaluated at least every two years from an independent body, to which this project will be assigned following a decision by the Board of Directors and in accordance with a procedure approved by the Board of Directors.

The Chairman of the Board of Directors will be evaluated in regards to the performance of his duties as Chairman, by the Board of Directors, at least every two years. The Independent Non-Executive Vice Chairman shall chair the evaluation procedure.

**1.5.** The Regulation of Operations of the Board of Directors, which has been approved by the Board of Directors, regulates the details of the procedure followed on convening, meeting and deciding.

Concisely, according to the above Regulation, the Chairman is elected by the Board members and may also hold the position of the Managing Director (or Chief Executive Officer- CEO). Today, Mr. Michael Tsamaz holds the positions of Chairman of the Board of Directors and CEO. The Vice-Chairman, Mr. Eelco Blok is an independent non-executive member of the Board of Directors, following the resolution of the 67<sup>th</sup> Annual General Meeting of the shareholders.

**1.6.** During 2020 the Board of Directors held twenty six (26) meetings [including thirteen (13) minutes that were approved and signed via circulation in accordance with the provisions of paragraph 1, Article 94 of L. 4548/2018]. In principle, the Board of Directors meets at least once a month.

The presences of each member of the Board of Directors during 2020, as per the above mentioned, are described in the following table:

Name	NUMBER OF MEETINGS DURING THE TERM	NUMBER OF MEETINGS BEING PRESENT	NUMBER OF MEETINGS BEING REPRESENTED
Michael Tsamaz	26	26	-
Eelco Blok	26	26	-
Srinivasan Gopalan	26	18	8
Robert Hauber	26	23	3
Dominique Leroy	5	4	1
Kyra Orth	26	22	4
Michael Wilkens	26	19	7
Vasilios Vassalos	26	26	-
Dimitrios Georgoutsos	26	26	-
Charalampos Mazarakis	26	26	-
Andreas Psathas	12	11	1

**1.7.** In accordance with the business practice, apart from the initial information that is provided to the new members of the Board of Directors after their election, the members of the Board of Directors are briefed on issues related to the Company, during the meetings of the Board of Directors or after the discussion of the items of the agenda, as well as whenever there is a need for an update through communication between the Chairman and the members (by relevant information memos).

Also, the Members are informed by the Executive Director Compliance, ERM and Insurance OTE Group business unit:

a. with the OTE Group Compliance Report on information about the planning and effectiveness of the operation of the Compliance Management System and the activities in its framework, including any deficiencies as well as for important compliance cases (cases/complaints) that come to the attention of the Company,

b. with the OTE Group Enterprise Risk Management Report on information about the overview of corporate risks that have been identified as important (evaluation, risk assessment, need for measures, characterization of risk trends, early warning function), the operation of the Enterprise Risk Management System as well as the activities carried out in its framework.

Moreover, the members of the Board of Directors are informed by the Head of the Internal Audit business unit on issues under his competencies (here below under Part G "Internal control and risk management systems of the Company in relation to financial reporting process)" and the Data Protection Officer of OTE Group with respect to matters falling with the responsibility thereof.

#### **1.8. Board of Directors remuneration for their participation in the BoD meetings for year 2020**

The 68<sup>th</sup> Annual General Meeting of the Company's shareholders -held on June 24, 2020- has determined that no change should be conferred upon the Directors' remuneration for their participation in the meetings of the Board of Directors as compared to the remuneration applied on December 31, 2019, i.e. Euro 4,800 gross per month, regardless of the number of meetings.

The gross amount mentioned hereinabove:

i) Shall be subject to all lawful taxes (income tax, special solidarity levy, social security levy), as stipulated by the law from time to time and taking into account for their calculation the maximum amounts set by law.

ii) Shall not change in the event of amendment in the tax legislation or/ and in the social security legislation. In this case, the payable net amount may change accordingly.

Moreover, by resolution of the said General Meeting of the Company's shareholders, the Company covers:

A. the travel/ sojourn expenses of the members of the Board of Directors for their attendance at the meetings of the Board and its Committees, from and to the country of their permanent residence, provided that are not covered by their employers, as follows: In the event of air transportation, the Company assumes the fare of "business class" ticket for flights with duration of more than four hours and the fare of "economy class" ticket for flights with duration of less than four hours.

The Company assumes the sojourn expenses, at the place where the meetings are held, for up to two overnight stays per transfer.

B. the travel/sojourn expenses of the members of the Board of Directors for their attendance at the meetings of the Board and its Committees, from and to the place of their permanent residence, provided that it is within the country but outside the prefecture of the Company's seat at a distance of more than one hundred and fifty (150) kilometers, and provided that these expenses are not covered by their employers, as follows:

In the event of air transportation, the Company assumes the fare of an "economy class" ticket.

The Company assumes the sojourn expenses of the abovementioned members, at the place where the meetings are held, for one overnight stay per travel.

In case the members of the Board of Directors are employed with the Company, they receive the compensation provided under their employment contract and are not eligible to the remuneration paid to the other members of the Board of Directors for the participation to the meetings of the Board of Directors.

It is noted that the abovementioned 68<sup>th</sup> Annual General Meeting of OTE shareholders of June 24, 2020 approved the Remuneration Policy for the members of the Board of Directors (executive and non-executive, including the independent non-executive members) valid until 31-12-2023 (unless during this period the General Meeting decides to amend it or there is a substantial change in the conditions under which it was drawn up), in accordance with articles 110-111 of Law 4548/2018.

Regarding the compensation of the members of the Board of Directors for their participation in the meetings of the Committees of the Board of Directors for the year 2020, see below paragraph 2.1 (Audit Committee), 2.2 (Remuneration and Human Resources Committee), and 2, 3 (Nomination Committee of the Board of Directors). With regard to the remuneration of the executive members of the Board of Directors for the year 2020, see below in paragraph 1.9.

#### **1.9. Compensation of executive Members of the Board of Directors for year 2020**

##### **I. GENERAL INFORMATION**

For the executive members of the Board of Directors (Managing Director and OTE Group Chief Financial Officer), and in line with the Remuneration Policy for the members of the Board of Directors, the following are implemented:

- The compensation and benefits policies of the Company for the level of the positions held by the above members of the Board of Directors, and

- The terms and conditions of their individual agreements (that have been approved by the General Meeting of the Company's shareholders). It is noted that with regards to agreement of the Managing Director, the expiration date is June 30<sup>th</sup>, 2023, whereas the employment agreement of OTE Group Chief Financial Officer is of indefinite time.

#### Compensation and benefits policies

The compensation structure for the executive members of the Board of Directors includes a fixed part and a variable part, as follows:

- The Annual Base Salary,
- The Annual Variable Reward which is mainly linked to the corporate performance within the year, and
- Voluntary Benefits (in the form of additional fringe benefits or long-term compensation elements) always according to the level of the positions in the organizational structure of the Company, the respective Company policies and terms and conditions of their individual agreements.

In particular:

The Annual Base Salary is the fixed part of the compensation of the executive members of the Board of Directors, which is defined in their individual contracts following the approval of the General Meeting of the Company's shareholders, and taking into consideration the level of their position in the organizational structure, as well as the market (salary) data for positions of comparable level.

The variable part of the annual compensation of the executive members of the Board of Directors is the Annual Variable Reward (annual performance bonus or annual short term incentive or special performance bonus) which is related to the set targets, for all levels of employees including the levels of the positions of the executives in the organizational structure of the Company. The Annual Variable Reward is provided to the Executive Members of the BoD, for the attainment of predefined quantitative and qualitative targets which are related to the performance of the Company, of OTE Group and/or of DT Group, and to the strategic corporate targets. Indicative performance criteria are the revenues, the EBITDA (financial targets), success factors related to specific products or services, the change management, the modernization / transformation of the Company, the loyalty / satisfaction of the customers and of the employees, the compliance with the guiding principles of corporate behavior and of leadership principles and other.

The relationship between the fixed and variable part of compensation is defined in the individual agreements of the executive members of the Board of Directors, with the fixed salaries constituting the largest part of the total (annual) compensation.

- According to the agreement of the Managing Director for the on target achievement (100%) of the predefined targets, the Annual Variable Reward (or Annual Short Term Incentive), starting with the payment for 2017 and thereafter, is calculated as a percentage of the Annual Total Target Cash for the achievement of targets [defined as the sum of the Annual Basic Salary plus the Total Annual Variable Reward for the Achievement of the Targets [(for target achievement at 100% - On Target)]. More specifically, the percentage of the Annual Variable Reward for the Achievement of the Targets (100% -On Target) is defined at a level of 37.58% and the Annual Basic Salary at a level of 62.42% of the Annual Total Target Cash (for 100% - On Target achievement). The maximum Annual Reward for the achievement of the predefined targets at a level of 150% or higher, could reach the 150% of 37.58% of the Annual Total Target Cash.
- According to the employment agreement of the OTE Group Chief Financial Officer, as in force for the year 2020, for on target achievement of the corporate targets (100%), the Annual Targeted Cash comprise of two parts: the Annual Base Salary and the Annual on Target Short Term Incentive that follow the standard proportion 65%-35%, respectively. For the achievement of the predefined targets at 150% level or higher the proportion of Annual Base Salary and Short-term incentive stands at 55%-45%, respectively.

Both for the Managing Director as well as the OTE Group Chief Financial Officer, any payment in relation to the above variable pay elements is approved by the Remuneration and Human Resources Committee, the Board of Directors, and the General Meeting of the Company's shareholders.

It is noted that, according to a decision of the Board of Directors (June 2019), non-executive members of the Board meet, chaired by the non-executive Vice President of the Board, without the presence of executive members, in order to evaluate the performance of the executive members and to determine their remuneration, following a recommendation from the Remuneration and Human Resources Committee.

In relation to the fringe benefits, the said executive members of the Board of Directors are covered by private health insurance plan (including their dependents), for life and disability, they participate in a private pension plan, use company car (with the respective coverages), and corporate mobile and fixed telephony programs, Internet and COSMOTE TV. They also have the opportunity to participate in the savings program for their children (Youth Account), as well as to participate in the Fund for providing financial support to the employees.

**II. In relation to the Managing Director (MD), his contract provides for his participation in a rolling Long term Incentive Plan, in a Share Matching Plan as well as in the Repeated Performance Incentive for the 4-year period 2018-2021.**

More explicitly, in relation to the plans in force for the year 2020:

**A. Long term Incentive Plan**

In December 2014, the extraordinary General Meeting of the Company's shareholders approved the amendment of the agreement of the Managing Director, among others, regarding the implementation of the Long Term Incentive Plan with effect from 01.01.2015. In particular:

The Managing Director participates starting from 2015 hereinafter in a rolling long term (four-year) incentive plan (Long term Incentive – LTI), which is linked to phantom shares.

The Long-Term Incentive (LTI) is an international global rolling incentive program for Deutsche Telekom Group executives and the participating Group companies. Its purpose is to enhance willingness of executives to take on entrepreneurial responsibility and, consequently, to increase the value of the Group and its subsidiaries in the medium-long term. Each program has a four-year horizon and is associated with achieving targets for specific success parameters, either financial or related to the Group's sustainability. The targets are set by the DTAG Supervisory Board and approved by the DTAG Board of Directors.

The underlying amount for the MD's participation, is calculated on the basis of the MD's Total Target Cash (defined as the sum of gross Annual Base Salary plus the Annual Short Term Incentive for the on-target achievement of the predefined annual targets) and is set at 33.33% of the MD's Total Target Cash of the current year. The relevant amount shall be converted at the beginning of each 4-year LTI into phantom Deutsche Telekom AG (DT) shares (phantom DT's shares) on the basis of the DT share price in the XETRA trading system (Basic Number of phantom shares). The Basic Number of phantom shares granted to the MD, corresponds to 100% achievement. Each year of the 4-year plan corresponds to  $\frac{1}{4}$  of the Basic Number of phantom shares. Depending on the level of achievement of the targets for the success parameters annually (between 0% and 150%), the Annual Result for that year is defined. Phantom shares also receive dividends if dividends are paid to DT shareholders.

Following the end of the last year of each 4-year plan, the Board of Directors of Deutsche Telekom AG determines the final level of achievement of each year's plan targets. The competent bodies or committees of the Participating companies, including the Company, make the necessary decisions for their companies.

At the end of the total 4-year plan term of each plan, the four binding Annual Results plus the dividends granted (if any) are added together. The resulting total number of phantom shares is converted into a cash sum which is paid out to the Managing Director through payroll. The share price used as the basis for said conversion is determined on the basis of a specific reference period.

Based on the foregoing,

- The long term (4-year) incentive plan (LTI) that was initiated in 2016 and in which the Managing Director participated, has been completed in December 2019. The cash sum that corresponds to the total number of phantom shares for the whole 4-year period 2016-2019, was paid out to the Managing Director in July 2020, after approval by the competent corporate bodies (the Remuneration and Human Resources Committee, the Board of Directors, and the General Meeting of the Company's shareholders).
- The long term (4-year) incentive plan (LTI) that was initiated in 2017 and in which the Managing Director participated, has been completed in December 2020. The cash sum that corresponds to the total number of phantom shares for the whole 4-year period 2017-2020, will be paid out to the Managing Director during 2021, after approval by the competent corporate bodies (the Remuneration and Human Resources Committee, the Board of Directors, and the General Meeting of the Company's shareholders).
- Similarly, long-term (4-year) Incentive Programs (LTI) have been launched in 2018, 2019 and 2020 in which the Managing Director participates, which will be completed in December 2021, 2022 and 2023, respectively. The resulting variable amount will be paid within the years 2022, 2023 and 2024, respectively, after the approval of the relevant corporate bodies.

**B. Share Matching Plan**

In December 2014, in the framework of the previously mentioned approval by the extraordinary General Meeting of the Company's shareholders of the amendment of the agreement of the Managing Director, certain amendments were made, among others, regarding the implementation of the Share Matching Plan with effect from 01.01.2015. It is noted that:

For the years 2016, 2017 and 2018, in the framework of the Share Matching Plans that started during the referred years, the Managing Director has undertaken the obligation to invest in DT shares, a total amount corresponding per year to 33.3% of the actually gross Annual Performance Bonus (or Short Term Incentive Plan) paid up to the Managing Director for the respective previous year (Private Investment Obligation). It is noted that the calculated Private Investment Obligation is effected from the net Annual Performance Bonus sum paid to the Managing Director. It is noted that these shares will be held by the Managing Director

for a period of four (4) years (Lock Up Period) from the respective date of purchase. At the end of the respective Lock Up Period, the Managing Director will be granted, for free, one additional share for each share that he bought under the Private Investment Obligation. The lock up period for the DT shares that the Managing Director bought during 2015 in the framework of Private Investment Obligation was concluded in 2020.

C. In December 19, 2018, the extraordinary General Meeting of the Company's shareholders approved the amendment of the contract of the Managing Director regarding, among others, the following points:

C1. In relation to the Share Matching Plans started the year 2019 onwards, the Private Investment Obligation of the Managing Director in DT shares is defined at 10% (instead of 33.3%) of his actually paid gross Short Term Incentive for the precedent year. On top of the Private Investment Obligation, the Managing Director has the right, at his discretion, to perform a Private Voluntary Investment in DT shares. In any case, the maximum annual investment of the Managing Director in DT shares, including both the Private Investment Obligation and the Private Voluntary Investment, is defined at 50% of the actually paid gross Short Term Incentive for the precedent year.

C2. For the year 2019 onwards, the Managing Director has the right to participate in the new incentive scheme "Repeated Performance Incentive"/"RPI", which is a four-year plan which honors repeated, extraordinary collective performance, measured by the overachievement of the specific target/KPI "EBITDA unadjusted". The four-year period of the specific plan begins in 2018 (which serves as the year of eligibility for the plan 2018-2021) and ends in 2021.

For the year 2019, Repeated Performance Incentive has been approved by the competent corporate bodies (the Remuneration and Human Resources Committee, the Board of Directors, and the General Meeting of the Company's shareholders) within 2020 and will be paid out to the Managing Director during 2021.

### III. Regarding the OTE Group Chief Financial Officer:

The General Meeting of the Company's shareholders of June 12, 2015, following a relevant resolution of the Company's Board of Directors, has approved the amendment of the employment agreement of the OTE Group Chief Financial Officer with the Company, in order for new rolling long term compensation programs, which are valid for 2015 (and henceforth, subject to the approval of the competent bodies of DTAG and OTE S.A.) for other executives of similar position levels, to be implemented also for the OTE Group Chief Financial Officer. In particular:

#### A. Long term Incentive Plan

A1. From the year 2015 started a long (4-year) incentive program (LTI), connected with phantom shares of DTAG and in which the executive was entitled to take part, if the result of the assessment of the annual individual performance of the employee for the previous year (2014) was level 3 (namely, fully meets all role expectations and grows with the role), 4 (namely, often exceeds role expectations) or 5 (namely, always exceeds role expectations by far) according to the Performance Evaluation Process.

The amount taken as the basis for employee participation (grant value), depends on the Total Target Cash (comprising of the Annual Base Salary and the Annual on Target Short Term Incentive, that is the Short (annual) Term Incentive for on target achievement of the collective targets (100%) and of an individual performance rating level "3") and is defined at 30% of the Total Target Cash of the OTE Group Chief Financial Officer of the current year. The relevant amount is converted at the beginning of the 4-year Long Term Incentive Program (LTI) in phantom shares of Deutsche Telekom AG (DT) (phantom DT's shares) based on the price the share of DT in the trading system XETRA (Basic Number).

The Basic Number of phantom shares is associated with four equally weighted success parameters of DT and / or Group DT. The target values of success parameters are defined at the beginning of the 4-year plan term. An interim value shall be determined for each annual tranche. The parameters of success reach levels (target achievement corridors) between 0 percent and 150 percent. The Basic Number of phantom DT shares to be granted to the OTE Group Chief Financial Officer corresponds to target achievement of 100 percent. The annual level of target achievement will be determined at the end of each year by DT and approved by the OTE Board of Directors. This level of target achievement will be multiplied on a proportional basis to the Base Number phantom shares granted to OTE Group Chief Financial Officer (25 per cent of the Basic Number per year). The number of phantom shares calculated with this method will then become final for OTE Group Chief Financial Officer as the final binding result for the specific year ("Annual Result").

At the end of the whole 4-year program, the four binding Annual Results will be added together including any dividends in case of dividends granting to DT shareholders. The sum of total phantom shares will be converted into cash, which will be paid through payroll to OTE Group Chief Financial Officer. The share price used as the basis for the conversion will be determined in a particular reporting period.

Based on the foregoing:

- The long term (4-year) incentive plan (LTI) that was initiated in 2016 and in which OTE Group Chief Financial Officer participates, has been completed in December 2019. The cash sum that corresponds to the total number of phantom shares for the whole 4-year period 2016-2019, was paid out to OTE Group Chief Financial Officer in July 2020, after approval by the competent

corporate bodies (the Remuneration and Human Resources Committee, the Board of Directors, and the General Meeting of the Company's shareholders).

- The long term (4-year) incentive plan (LTI) that was initiated in 2017 and in which OTE Group Chief Financial Officer participates, has been completed in December 2020. The cash sum that corresponds to the total number of phantom shares for the whole 4-year period 2017-2020, will be paid out to OTE Group Chief Financial Officer during 2021, after approval by the competent corporate bodies (the Remuneration and Human Resources Committee, the Board of Directors, and the General Meeting of the Company's shareholders).
- Similarly, long-term (4-year) Incentive Programs (LTIs) have been launched in 2018, 2019 and 2020 in which the Chief Financial Officer of OTE Group participates, which will be completed in December 2021, 2022 and 2023, respectively. The resulting variable amount will be paid within the years 2022, 2023 and 2024, respectively, after the approval of the relevant corporate bodies.

A2. In November 7, 2018 the Board of Directors of the Company, as well as the extraordinary General Meeting of the Company's shareholders in December 19, 2018 (since it was attached to the amendment contract of the Managing Director), approved the amended terms and conditions of the Long term Incentive plan (LTI) for the year 2019 and onwards. Among others, these terms include that the eligibility of the Executives for their participation in the plan is decoupled from their individual performance evaluation for the previous year, and from now on it is only connected with the achievement level of the corporate collective (common) targets and the Executives' Management Group.

### **B. Share Matching Plan**

B1. The Share Matching Plan (SMP) in which OTE Group Financial Officer participates as of 01.01.2015, is a long term (four year) plan based on DTAG shares. The SMP program is a global, Group-wide compensation instrument of Deutsche Telekom Group. The scope of the SMP program is to enhance the willingness of executives for corporate responsibility, and therefore, the increase in shareholder value in the medium-long term.

In this frame, OTE Group Chief Financial Officer is entitled to participate in the Share Matching Plan (SMP) which is a voluntary benefit, and the executive's participation is a voluntary, if the evaluation result of the annual individual performance of the previous year is level 3, 4 or 5, according to the Performance Evaluation Process. OTE Group Chief Financial Officer undertakes to invest in shares of DTAG, an amount corresponding at least of 10% and a maximum of one third (33.3%) of the above mentioned gross amount of Short Term Incentive which will have been paid for the previous year 2014 (Voluntary Private Investment). The Voluntary Private Investment is calculated on the gross amount of the Short Term Incentive which will have been actually paid to OTE Group Chief Financial Officer for the previous year and it is performed out of the net payable amount, which, whenever necessary, is rounded upwards in order that an integer number of DTAG shares are purchased.

OTE Group Chief Financial Officer undertakes not to liquidate, sell, dispose, etc. the above shares for four (4) years from the date of purchase (Closed Period). At the end of the closed period, OTE Group Chief Financial Officer will receive free matched shares of DTAG, based on the formula: 1 free share to 1 (1:1), or 2 (1:2) or 3 (1:3) DTAG shares acquired under the Voluntary Private Investment, according to the level of his individual annual performance (level «5», «4», or «3», respectively).

The above are valid for the Share Matching Plans (SMP) that started during the years 2015-2018 and in which the OTE Group Financial Officer participated.

Based on the foregoing:

- The Share Matching Plan that was initiated in 2016 and in which the OTE Group Financial Officer participated, has been completed in June 2020. The free DT shares that corresponds to the investment for the whole 4-year period 2016-2019, was given to the OTE Group Financial Officer during July 2020, after approval by the competent corporate bodies.
- For the years 2017 and 2018, under the respective Share Matching Programs that began these years, the Chief Financial Officer of OTE Group invested in DT shares, part of the Gross Annual Short Term Incentive in the framework of the voluntary private investment and in accordance with the terms of each plan. At the end of each Lock-up Period, the Chief Financial Officer of OTE Group will receive one DT share free of charge for each share bought.

B2. In November 7, 2018 the Board of Directors of the Company, as well as the extraordinary General Meeting of the Company's shareholders in December 19, 2018 (since it was attached to the amendment contract of the Managing Director), approved the amended terms and conditions of the Share Matching Plan (SMP) for the year 2019 and onwards. Among others, the terms include that (1) the eligibility of the Executives for their participation in the plan is decoupled from their individual performance evaluation for the previous year, and from now on it is only connected with the Executives' Management Group, (2) the amount of the personal investment is set between one tenth (10%) (minimum amount) and one half (50%) (maximum amount) of the target (100%) amount of the Short Term Incentive (STI) of the previous year, and (3) the matching ratio between the shares purchased as part of the personal investment and the free matching shares is amended and from now on it is linked only with the Executives' Management Group. For the OTE Group Financial Officer, the Matching Ratio of the free matched shares for the shares that have been purchased in the framework of the voluntary private investment has been defined at 1:1 (one to one).

### **C. Spot Bonus**

In December 2017 the Variable Payment Policy for Exceptional Individual Performance (Spot Bonus) was approved by OTE Board of Directors, with effect from 2018 onwards, aiming at rewarding exceptional individual performance and achievements. OTE Group Financial Officer is among the eligible executives for participation in the plan. For year 2020, there were no proposals submitted for Spot Bonus payment to Company executives of the Management Group 1 (MG1), to which the role of the OTE Group Financial Officer has been allocated

### **D. Repeated Performance Incentive**

In November 7, 2018 the Board of Directors of the Company, approved, among others, the introduction of the new incentive scheme "Repeated Performance Incentive" /"RPI", which is a four-year plan which honors repeated, extraordinary collective performance, measured by the overachievement of the specific target/KPI "EBITDA unadjusted". OTE Group Financial Officer is among the eligible executives for participation in the plan. The four-year period of the specific plan begins in 2018 (which serves as the year of eligibility for the plan 2018-2021) and ends in 2021.

For the year 2019, Repeated Performance Incentive has been approved by the competent corporate bodies (the Remuneration and Human Resources Committee, the Board of Directors, and the General Meeting of the Company's shareholders) within 2020, and will be paid out to the OTE Group Financial Officer during 2021.

E. In December 18<sup>th</sup>, 2020 (meeting no 3129, item 7<sup>th</sup>), the Board of Directors of OTE S.A., approved the payment of an extraordinary variable reward (as Project Bonus), exclusively associated with the sale process of Telekom Romania (TKR) to executives and other experts/specialists of OTE SA and COSMOTE SA in Greece, which will have significantly contribute to the completion of TKR sale project, following the completion of the sale process of TKR, and based on the level of achievement of specific success parameters and depending on the specific categorization of the participants. OTE Group Chief Financial Officer is among the eligible executives of OTE SA – COSMOTE SA in Greece. The respective payment of this extraordinary variable reward to the OTE Group Chief Financial Officer will be implemented following the completion of the sale process of TKR, after the confirmation of the final achievement rates of the specific success parameters that are linked with the Project Bonus by the Remuneration and Human Resources Committee of the Company and after approval by the competent corporate bodies.

F. At the Annual General Meeting of Shareholders that will take place in 2021 to approve the results of fiscal year 2020, the Board of Directors' Remuneration Report for the remuneration paid in fiscal year 2020, will be submitted in accordance with Article 112 of Law 4548/2018 and the Remuneration Policy.

**1.10** (I) The OTE Group Code of Conduct and the OTE Internal Regulation of Operations provide that the members of the Board of Directors (as well as employees of the Company) must refrain from any act which may give rise to a conflict of their personal interests -or the interests of persons closely associated to the above-mentioned persons- with those of the Company or its affiliated companies. Specifically, among others, it is provided that:

- Employees and members of the Board of Directors are not allowed to maintain, directly or indirectly, any material economic interest (as the latter is, each time, defined in the Internal Regulation of Operations) in vendors, customers, competitors or other undertakings, if such interest may influence their business decisions.
- Employees and members of the Board of Directors cannot accept or allow persons closely associated to them to accept money, gifts, loans, entertainment services or favorable treatment from anyone maintaining business relations with the Company or being a competitor, except if the benefits are considered to be tacitly approved and permitted by the provisions of the OTE Group Policy on Accepting and Granting of Benefits.

To that end, the employees and the Board of Directors' Members of the Company and the Group (in accordance with Law 4548/2018, article 97), submit, on an annual basis, the Compliance Statements (i.e., a. the Annual Compliance Statement, through which their awareness and acceptance of all Corporate Compliance Policies is declared, and b. the Conflict of Interest Statement). Furthermore, the Board of Directors' Members as well as the Senior Financial Officers of the Company and the Group submit, on an annual basis, Statements regarding their knowledge and implementation of the current Code of Ethics for OTE Group Senior Financial Officers.

In combination with the above-mentioned, the Company's Internal Regulation of Operations provides for a procedure on the monitoring of a) the economic activities and transactions of the members of the Board of Directors and the persons carrying out managerial duties, with significant customers or suppliers of the Company, and b) their transactions (as well as the transactions of persons closely associated to the above mentioned persons) related to the Company's shares or debt instruments, on derivatives or other financial instruments linked to them, in accordance with Law 3016/2002 and Regulation 596/2014 of the European Parliament and of the Council.

Regarding transactions with related parties, the Company's Board of Directors has adopted the "OTE Group Transfer Pricing Regulation", which defines the required internal procedures for the implementation and enforcement of the rules on invoicing and

documentation of transfer pricing between companies of OTE Group and their own affiliated companies. The Regulation sets the procedures to be followed and the compliance with this Regulation is subject to internal and external audits. Responsible for the implementation of this Regulation are the competent tax business units and the units responsible for the drawing up of contracts with the affiliated companies. Within the framework of the legislation in force, companies of OTE Group through their corporate bodies, adopt this Regulation, in order to follow the same procedure of documentation and to facilitate the compliance.

In addition, there are relevant provisions in the Policies which are applied in the framework of operation of the Compliance Management System of OTE Group, such as the “OTE Group Policy on Accepting and Granting of Benefits” and the “Policy on Insider Trading”.

(II) As of January 1, 2019, Law 4548/2019 includes certain provisions in relation to the fiduciary duty and conflict of interests of the members of the Board of Directors and of any person to whom the Board of Directors has entrusted powers (article 97) as well as in relation to the transparency and oversight of transactions with affiliated entities (articles 99-101). Within this framework, OTE Group adopted the “Policy on concluding transactions with related parties”, which describes the method with which the Company handles issues regarding transactions with Related Parties.

## 2. Board of Directors' Committees – Composition – Responsibilities - Remuneration – Evaluation of effectiveness

Three Committees have been formed and operate in the Company, whose members are exclusively members of the Board of Directors. These are the Audit Committee, the Compensation and Human Resources Committee and the **Board of Directors Nomination Committee** (BoD Nomination Committee). In particular:

**2.1. The Audit Committee** in accordance with the provisions of Article 44 of the Law 4449/2017 (Government Gazette A 7/24.01.2017 “Mandatory audit of the annual separate and consolidated financial statements, state oversight over the auditory profession and other provisions”), as in force, and following a resolution of the 68<sup>th</sup> Annual General Meeting of the Company's Shareholders held on June 24, 2020, is a Committee of the Board of Directors, which consists exclusively of members of the Board of Directors, whose term is the same as their term of office in the Board of Directors. The Audit Committee consists of three (3) members, out of which two (2) members are Independent members of the Board of Directors, pursuant to Law 3016/2002, including the Chairman of said Committee, and one (1) member is a Non-executive member of the Board of Directors. The members of the Audit Committee in their entirety have sufficient knowledge in the field of electronic communications, in which the Company mainly operates, whereas at least one member that has also proven knowledge and experience in accounting /auditing is always present at the meetings of the Committee which pertain to the approval of the financial statements.

The Audit Committee during 2020 consisted of the following members:

- Until 24/6/2020: Messrs. Eelco Blok (Chairman of the Committee – Vice-Chairman of the BoD, Independent Non-executive BoD member), Andreas Psathas (Member of the Committee - Independent Non-executive BoD member) and Vasilios Vassalos (Member of the Committee - Non-executive BoD member).
- Since 1/7/2020: Messrs. Eelco Blok (Chairman of the Committee – Vice-Chairman of the BoD, Independent Non-executive BoD member), Vasilios Vassalos (Member of the Committee - Non-executive BoD member) and Dimitrios Georgoutsos (Member of the Committee - Independent Non-executive BoD member).

For the fiscal year 2020, the 68<sup>th</sup> Annual General Meeting of the Company's shareholders -held on June 24, 2020 resolved that no change should be conferred upon the remuneration of the Chairman and the members of the Committee for their participation in the Committee meetings as compared to the remuneration given for the fiscal year 2019, i.e. as follows:

- (a) Chairman: Euro 2,700 gross per meeting.
- (b) Members: Euro 2,200 gross per meeting.

The gross amounts mentioned herein above:

- i) Shall be subject to all lawful taxes (income tax, special solidarity and social security levies) as stipulated by the law from time to time and taking into account for their calculation the maximum amounts set by law.
- ii) Shall not change in the event of amendment in the tax legislation and/or in the social security legislation. In this case, the payable, net amount may change accordingly.

The Audit Committee, according to the Regulation of its Operation<sup>4</sup>, holds at least four (4) meetings every year.

<sup>4</sup>[https://www.cosmote.gr/otegroup\\_company/about\\_us/otegroup/corporate\\_governance/investor\\_relations/Audit\\_Committee\\_Regulations\\_Nov18\\_ENG.pdf](https://www.cosmote.gr/otegroup_company/about_us/otegroup/corporate_governance/investor_relations/Audit_Committee_Regulations_Nov18_ENG.pdf)



The attendance of the Chairman and the members of the Audit Committee in the Committee meetings during 2020, which were seventeen (17) meetings in total, appears in the following table:

Name	NUMBER OF MEETINGS DURING THE TERM	NUMBER OF MEETINGS BEING PRESENT	NUMBER OF MEETINGS BEING REPRESENTED
Eelco Blok	17	17	-
Vasilios Vassalos	17	17	-
Dimitrios Georgoutsos	9	9	-
Andreas Psathas	8	8	-

The framework for the operation of the Audit Committee is described in the Audit Committee Regulations, which have been approved by the Board of Directors and are amended by the Board of Directors at any time following a recommendation by the Audit Committee.

In brief, the objective of the Audit Committee is to support the Company's Board of Directors in the exercise of the latter's supervisory authorities and the fulfillment of the latter's obligations towards shareholders, the investment community and third parties, especially with regard to the financial reporting process.

In 2020, the Audit Committee dealt with issues within the framework of its responsibilities, summarized as follows:

- Monitoring and appraisal of the adequacy, effectiveness and efficiency of the policies, procedures and safety nets in relation to both the Internal Audit System and the assessment of the risk management in relation to financial reporting.
- Approval and monitoring of the Company's Internal Audit business unit activities.
- Approval and monitoring of the activities of the Compliance, Enterprise Risk Management and Insurance business unit.
- Monitoring and evaluation of the process of compiling financial information, as well as of the statutory auditors' services.
- Assessment of the accuracy and consistency of the Financial Statements.
- Assurance of the statutory auditors' independence, in relation to the services provided by the latter to the companies of the OTE Group and approval of the budget for the statutory auditors' fees for the fiscal year 2020.
- The submission of a recommendation to the Board of Directors for the selection of an audit firm for the statutory audit of the financial statements for the fiscal year 2020.
- Confirmation on whether the conditions for the assessment made by the competent Business Units for intended transactions of the Company with related parties as "ordinary", are fulfilled, based on the information provided to the Committee by the competent Business Units which are responsible for providing complete and accurate information to the Committee.
- Approval and oversight of activity of the Data Protection Officer of OTE Group.
- Provision of information to the Board of Directors and submission of proposals on issues falling within the context of the Committee's responsibilities.

Furthermore, within the context mentioned above, in 2020 the Audit Committee, dealt with the review and assessment of the completeness, accuracy and precision of the Periodic OTE Group Compliance Reports - which include, among others, information on the handling and the results thereof, of complaints and accusations - as well as the OTE Group Enterprise Risk Management Reports. The OTE Group Compliance Reports and the OTE Group Enterprise Risk Management Reports are submitted at first to the OTE Group Compliance, Enterprise Risks and Corporate Governance Committee, which reviews and assesses these Reports, and, subsequently, to the competent corporate bodies, i.e. the Audit Committee and the Board of Directors.

The Audit Committee has a frequent communication with the Internal Audit during the course of its operations. In this context, the Head of the Internal Audit business unit is invited and participates in most of the meetings of the Audit Committee, submits the annual plan of audits and periodic Reports for the implementation thereof.

In order to safeguard the independence of the certified auditors, which under the law falls within the responsibilities of the Audit Committee, the Board of Directors has adopted by a decision the "Policy on Commissioning the Services of Auditors". This Policy regulates the procedures of the Company and all companies of the Group which the Company controls and consolidates, with respect to the assignment of services to certified public accountants in accordance with applicable law. In particular, this Policy sets out the non-audit services which are allowed and those which are prohibited to be provided, the assignment and approval procedure for the provision of the allowed non-audit services, the maximum fees for such services and the monitoring of the Policy's implementation.

The certified public accountants are invited and participate in the meetings of the Audit Committee at the planning stage of the statutory audit and its implementation, as well as when the semi-annual and annual separate and consolidated financial statements are reviewed. Moreover, they participate in meetings of the Audit Committee without the Company management being present.

## 2.2. Compensation and Human Resources Committee, which is appointed by the Company's Board of Directors.

The Compensation and Human Resources Committee during 2020 consisted of the following members:

Mr. Eelco Blok (Chairman of the Committee – Vice-Chairman of the BoD, Independent Non-executive BoD member), Mr. Srinivasan Gopalan (Member of the Committee - Non-executive BoD member) and Mrs. Kyra Orth (Member of the Committee - Non-executive BoD member).

It is noted that as of 11/1/2021, when the Non-executive BoD member and member of the Committee Mr. Srinivasan Gopalan resigned, the composition of the Committee has been as follows:

Mr. Eelco Blok (Chairman of the Committee – Vice-Chairman of the BoD, Independent Non-executive BoD member), Mrs. Dominique Leroy (Member of the Committee - Non-executive BoD member) and Mrs. Kyra Orth (Member of the Committee - Non-executive BoD member).

The Committee consists exclusively of Non-executive members of the Board of Directors, out of whom one (1) is Independent, pursuant to Article 4 of Law 3016/2002, as in force, non-executive member.

For the fiscal year 2020, the 68<sup>th</sup> Annual General Meeting of the Company's shareholders -held on June 24, 2020 determined that no change should be conferred upon the remuneration of the Chairman and the members of the Compensation and Human Resources Committee for their participation in the Committee meetings as compared to the remuneration applied for the fiscal year 2019, i.e. Euro 1,100 gross per meeting.

The gross amount mentioned hereinabove:

- i) Shall be subject to all lawful taxes (income tax, special solidarity and social security levies) as stipulated by the law from time to time and taking into account for their calculation the maximum amounts set by law.
- ii) Shall not change in the event of amendment in the tax legislation and/or in the social security legislation. In this case, the payable, net amount may change accordingly.

According to the Regulation of its Operation, the Compensation and Human Resources Committee holds at least two (2) meetings every year.

The attendance of the Chairman and the members of the Compensation and Human Resources Committee in the Committee meetings during 2020, which were seven (7) meetings in total, is described in the following table:

Name	NUMBER OF MEETINGS DURING THE TERM	NUMBER OF MEETINGS BEING PRESENT	NUMBER OF MEETINGS BEING REPRESENTED
Eelco Blok	7	7	-
Srinivasan Gopalan	7	7	-
Kyra Orth	7	7	-

The framework for the operation of the Compensation and Human Resources Committee is described in the Regulation of its Operation, which has been approved by the Board of Directors, and Board's decisions.

Concisely, in 2020, the Committee, within the framework of its responsibilities, dealt, among others, with the issues below:

- Defining the Company's compensation and remuneration strategy.
- Approval of the schemes and plans concerning compensation, benefits and bonuses.
- Proposal to the Board of Directors regarding the compensation and benefits of the Managing Director.
- Furthermore, in this context, in 2020 the Compensation and Human Resources Committee has examined and submitted to the Board of Directors proposals, among others, for compensation issues of the executive members of the Board and business policies on remuneration
- The Committee also submitted to the Board of Directors the Remuneration Policy as per Article 110 of Law 4548/2018, which was thereafter submitted and approved by the Annual General Meeting of the shareholders held on June 24, 2020, and also examined the annual Remuneration Report, which the Board of Directors thereafter submitted for consultation to the said Annual General Meeting of the shareholders pursuant to Article 112 of Law 4548/2018.

### 2.3. Board of Directors Nomination Committee

The Board of Directors Nomination Committee (BoD Nomination Committee) was established on June 12, 2019 by virtue of a decision of the Board of Directors for the purpose of an effective and transparent procedure for the nomination of candidates as Independent non-executive members of the Board of Directors.

The Committee consists of three (3) members of the Board of Directors, out of which two (2) shall be Non-executive members and one (1) Independent –as per Law 3016/2002 as in force– non-executive member, who shall also be the Chairman of the Committee.

The main responsibilities of the BoD Nomination Committee, regarding the nomination of Independent non-executive members, include, among other, the following:

- The determination of the selection criteria for the members of the Board of Directors, taking into account the need for diversity, including gender balance.
- The periodic assessment of the size and composition of the Board of Directors.
- The evaluation of the existing balance of qualifications, knowledge, skills, and experience and, in light of this evaluation, the clear description of the role and capabilities required for filling in the vacancies.
- The process handling for nominee identification.
- The submission of proposals to the Board of Directors for the nomination of candidates on the basis of the corporate procedures.

The BoD Nomination Committee during 2020 consisted of the following members:

Mr. Eelco Blok (Chairman of the Committee – Vice-Chairman of the BoD, Independent Non-executive BoD member), Mr. Srinivasan Gopalan (Member of the Committee - Non-executive BoD member) and Mrs. Kyra Orth (Member of the Committee - Non-executive BoD member).

It is noted that as of 11/1/2021, when the Non-executive BoD member and member of the Committee Mr. Srinivasan Gopalan resigned, the composition of the Committee has been as follows:

Mr. Eelco Blok (Chairman of the Committee – Vice-Chairman of the BoD, Independent Non-executive BoD member), Mrs. Dominique Leroy (Member of the Committee - Non-executive BoD member) and Mrs. Kyra Orth (Member of the Committee - Non-executive BoD member).

The attendance of the Chairman and the members of the BoD Nomination Committee in the Committee meetings during 2020, which were six (6) meetings in total, appears in the following table:

Name	NUMBER OF MEETINGS DURING THE TERM	NUMBER OF MEETINGS BEING PRESENT	NUMBER OF MEETINGS BEING REPRESENTED
Eelco Blok	6	6	-
Srinivasan Gopalan	6	6	-
Kyra Orth	6	6	-

During 2020 the Committee, within the framework of its responsibilities, dealt with the following issues:

- Defined the criteria for the position of Independent non-executive member of the Board of Directors and member of the Audit Committee. Furthermore, the Committee proposed to the Board of Directors a candidate for the position of Independent non-executive member of the Board of Directors and member of the Audit Committee, following a pre-selection based on the predetermined criteria as well as on the assessment which had been made by an external consultant.
- Submitted to the Board of Directors a proposal for the temporary appointment of a new Independent non-executive member of the Board of Directors and member of the Audit Committee, as per Article 44 par. 1 of Law 4449/2017 and Article 4 of Law 3016/2002.
- Defined qualification criteria for the Independent non-executive members of the Board of Directors of OTE S.A.

As regards the remuneration and expenses of the members of the Board of Directors for their participation in the meetings of the BoD Nomination Committee for the fiscal year 2020, the 68<sup>th</sup> Annual General Meeting of the Company's shareholders held on June 24, 2020, resolved that the same amounts shall be paid as those paid for the member's participation in the Compensation and Human Resources Committee (mentioned above under 2.2.)

**2.4.** The effectiveness of the Board of Directors' Committees (according to the resolution of the Board of Directors adopted on June 12, 2019) shall be evaluated at least every two years by an independent body, as assigned by a decision of the Board of Directors and in accordance with a procedure to be approved by the same.

Furthermore, with respect to the Audit Committee, pursuant to its Regulation of Operation, the members thereof evaluate its effectiveness at least every two (2) years and the evaluation results are discussed at the Board of Directors with the view to address any significant weaknesses found.

### **3. Other administrative, managerial or supervising corporate bodies or committees**

#### **3.1. OTE Group Management Meeting**

By resolution of the Chairman of the Board of Directors and Managing Director, the OTE Group Management Meeting has been established and operates with primary mission to coordinate and ensure the necessary cohesion in the Company and its affiliated companies, the resolution of material issues regarding the current management and the examination and decision on any other matter entrusted to the Meeting either from the Board of Directors or the Managing Director of the Company. The Meeting takes place weekly, it is chaired by the Managing Director or his Deputy appointed by his decision.

The following executives participate in the Meeting, except for the Managing Director: the Legal Counsel - OTE Group Chief Legal and Regulatory Affairs Officer, the OTE Group Chief Financial Officer, the OTE Group Chief Information Technology Officer, the OTE Group Chief Human Resources Officer, the OTE Group Chief Technology and Operations Officer, the OTE Group Chief Strategy, Transformation and Wholesale Officer, the OTE Group Chief Marketing Officer Consumer Segment, the OTE Group Chief Commercial Officer Business Segment, the OTE Group Chief Customer Operations Officer, the Executive Director Corporate Communications OTE Group, the Executive Director B.U. COSMOTE TV and the Executive Director Technical Service and Implementation Fixed and Mobile.

Furthermore, in the Management Meeting participate, without voting rights, on a case by case basis, executives of the Group or third parties, depending on the issue under discussion and following an invitation of the Chairman of the Board. The Management Meeting operates in accordance with the Managing Director's decision for its formation and operation.

#### **3.2 OTE Group Compliance, Enterprise Risks and Corporate Governance Committee**

By resolution of the Chairman of the Board of Directors and CEO, the OTE Group Compliance, Enterprise Risks and Corporate Governance Committee (GRC Committee) has been established with primary mission the support, the review and monitoring of the implementation of the Compliance and Risk Management Systems (CMS and RMS) and issues of Corporate Governance at OTE Group level.

The Committee supports the Executive Director Compliance, Enterprise Risk Management and Insurance OTE Group on Compliance, Enterprise Risk Management, Corporate Governance and Human Rights issues.

Indicatively, the Committee designates the strategic issues regarding Corporate Governance, Compliance, Enterprise Risks and Human Rights, keeping abreast of international best practices, monitors and reviews the implementation of programs for the effective operation of the Compliance Management (CMS), Enterprise Risk Management (RMS) and Corporate Governance Systems, as well as for the development of the Action Plan on Human Rights issues, supports business units in their risk analysis, ensuring efficient communication between employees and Management about the implementation of the RMS and CMS Programs. In addition, the Committee proposes the appropriate measures/procedures and policies to the competent corporate bodies to be approved on the issues of its competences and supports the design of the implementation of these measures. The Committee reviews the reports and the results of Compliance and Enterprise Risks procedures, assesses the completeness, accuracy and precision of the reports that are being submitted to the competent corporate bodies and submits, in its discretion, briefings/reports to the competent corporate bodies regarding Compliance, Enterprise Risks, Corporate Governance and Human Rights issues.

On December 31, 2020, members of the Committee are the Executive Director Compliance, Enterprise Risk Management and Insurance OTE Group (Committee's Chairman), the General Counsel - Chief Legal and Regulatory Affairs Officer OTE Group, the Chief Financial Officer OTE Group, the Chief Human Resources Officer OTE Group, the Executive Director Internal Audit OTE Group, the Executive Director Business Security and Continuity OTE Group, the Executive Director Corporate Communications OTE Group and the Data Privacy Officer OTE Group. The Committee's meetings may also attend other persons, extraordinarily if their presence is considered to be necessary for the discussion of the agenda items. The Committee operates in accordance with the CEO's decision for its formation and operation.

#### **3.3. Managing Director**

The Company's Managing Director, is appointed by the Board of Directors, following the election by the General Meeting as a member of the Board. He is the chief executive officer of the Company, heads all the departments of the Company, directs their work, adopts the necessary decisions within the context of the provisions governing the operation of the Company, of the programs, the budgets and strategic plans approved by the Board. The Board of Directors at its discretion may delegate to the Managing Director, the authority and power, at his discretion to decide and represent the Company, either in person or by proxy on any matter pertaining to administration of the Company affairs other than: (i) the matters reserved to the General Meeting of

the Shareholders or the Board of Directors as provided by Law 4548/2018 any other applicable legislation and the Company's Articles of Incorporation and (ii) the Special Matters pursuant Article 8 paragraph 4 of the Company's Articles of Incorporation.

The Managing Director represents the Company in courts, extrajudicial proceedings and before every Authority for every act, be it under his own authority or the authority of the Board of Directors, acting in person or by granting proxy rights to third persons to represent the Company.

## E. General Meeting and Shareholders' Rights

### 1. General Meeting - Operation and Powers

According to Article 15 of the Company's Articles of Incorporation, the General Meeting of shareholders is the foremost body of the Company and has the right to resolve upon all matters concerning the Company unless otherwise specified in the Articles of Incorporation. Every fully paid-up share carries one vote at any General Meeting.

The General Meeting of shareholders is convened by the Board of Directors pursuant to the provisions of the Law and meets mandatorily at the registered office of the Company, or the region of another municipality within the prefecture of the Company's registered office, or another municipality neighboring the Company's registered office or in the region of the municipality where the Stock Exchange is located where its shares have been admitted to trading. Under article 18 of the Company's Articles of Incorporation, the Board of Directors may decide that the General Meeting will not convene physically, but exclusively through the shareholders' participation by distance, via electronic means, in accordance with the legal provisions.

The General Shareholders Meeting is convened annually once every financial year, the latest by the tenth (10<sup>th</sup>) day of the ninth (9<sup>th</sup>) month as of the end of the financial year. Additionally, the Board of Directors may call an extra Annual General Shareholders' Meeting anytime when deemed advisable. Furthermore, the Board of Directors has the obligation to call a General Meeting by the deadline and under the conditions of art. 119 par. 4 of Law 4548/2018 (i.e. if the total assets of the Company falls below ½ of the share capital). The same obligation have the auditors, in case the Board of Directors fail to call a General Meeting by the deadline stipulated by law.

The invitation of the Annual or extra Annual General Meeting of shareholders is drawn up and published pursuant to the legal provisions in force.

The General Meeting is in quorum and convenes validly on the issues of the agenda when at least twenty (20%) percent of its paid-in share capital is represented. In the event that such quorum is not reached during the first convocation a new repeated Meeting is held within twenty (20) days. The repeated Meeting is in quorum and convenes validly with the same agenda items, irrespectively of the percentage of the paid in share capital represented. The resolutions of the General Meeting are adopted upon an absolute majority of the votes represented at the Meeting.

Exceptionally, according to Article 20 of the Articles of Incorporation, the General Meeting is in quorum and convenes validly only if two thirds (2/3) of the paid-in share capital are represented, with respect to the following matters:

- (a) Merger or dissolution of the Company.
- (b) Increase or decrease of the share capital, with the exception of cases which are governed by different provisions under the law or the present Articles of Incorporation.
- (c) Issuance of bond loans convertible to shares.
- (d) Amendment of the manner of distribution of profits.
- (e) Increase of the liability of shareholders.
- (f) Limitation or cancellation of the preemption rights of existing shareholders in the event of increases of share capital in cash or contributions in kind.
- (g) Amendment of the special majority of the Board of Directors provided in Article 6 paragraph 1 of the Articles of Incorporation (share capital increase and issuance of a bond loan by decision of the Board of Directors taken by a two-thirds majority of following relevant resolution of the General Meeting).
- (h) Amendment of same Article 20 of the Company's Articles of Incorporation.

For the foregoing items, if a quorum of 2/3 is not reached at the first meeting, a repetitive meeting is called within twenty (20) days as of the first meeting. The repetitive meeting is in quorum if 1/5 of the paid-up share capital is represented thereat.

The resolutions on the above issues are adopted upon a majority of two thirds (2/3) of the votes represented at the meeting.

## 2. Participation of the Shareholders in the General Meeting

**2.1.** The terms and time limits for the participation of the shareholders in the General Meeting and the exercise of the voting rights are determined by the applicable legislation, i.e. Article 124 of Law 4548/2018 in combination with Article 14 of Law 4569/2018.

Specifically:

- Any natural person or legal entity, is entitled to participate in the General Meeting provided that he is a shareholder on the Record Date, i.e. at the beginning of the fifth (5<sup>th</sup>) day before the date of the initial meeting of the General Meeting.
- In case of an adjourned or repetitive meeting, the deadlines as set out in law (Article 124 of Law 4548/2018) apply.
- Proof of qualification as a shareholder is done on the basis of information sent to the Company by the central securities depository (managed by Hellenic Exchanges S.A.).
- The identification of the shareholder for his participation in the General Meeting and the exercise of the above rights does not require blocking of shares or any other similar processes that would restrict the possibility of sale and transfer of shares during the period between the Record Date and the date of meeting of the General Meeting.

Also the shareholders' rights before the General Meeting are prescribed by applicable legislation, in particular Article 123 of Law 4548/2018. More specifically, according to Article 123 paragraphs 3, 4 and 5 of Law 4548/2018, the Company is obliged to post on its website as of the date of publication of the invitation for the General Meeting until the date of the General Meeting, apart from the said invitation including information required by law (Article 121 paragraph 4 of Law 4548/2018, i.e. among others, information relating to the procedure of voting by proxy, as well as information regarding the exercise of minority rights of Article 141 paragraphs 2, 3, 6 and 7 of Law 4548/2018), the forms of appointment and revocation of a proxy, draft resolutions for the agenda items and total number of shares and voting rights attaching thereto on the day of the invitation. If the online access to the documents for the appointment/ revocation of a proxy is impossible for technical reasons, the Company notes on its website the way a shareholder may acquire such documents in hard copies and sends those for free to any requesting shareholder.

**2.2.** The Shareholder may participate and vote in the General Meeting in person or by proxy, according to the provisions of the applicable legislation (Articles 124 and 128 of law 4548/2018). The appointment and the revocation of the appointment or replacement of a proxy shall be made in writing and shall be notified to the Company at least 48 hours before the initial General Meeting (Article 128 paragraph 4 of Law 4548/2018). A shareholder non complying with said deadline shall participate at the General Meeting, unless the General Meeting refuses such participation for a major reason and justifies such refusal.

The proxy votes according to the shareholder's instructions, if such exist, however in case of the proxy's not complying with the instructions received, such non-compliance does not affect the validity of the General Meeting resolutions even if the proxy's vote was crucial for achieving majority.

The proxy is obliged to disclose to the Company, before the commencement of the General Meeting, any fact which might be useful to the shareholders in assessing whether the proxy might pursue any interest other than the interest of the represented shareholder (Article 128 of Law 4548/2018).

**2.3.** Under article 18 of the Company's Articles of Incorporation, the shareholders may participate by distance at the voting of the General Meeting to be conducted before the meeting, particularly by mail or through electronic means, according to a procedure stipulated by a decision of the Board of Directors and pursuant to the provisions of law.

Additionally, the shareholders may participate at the General Meeting by distance in real time, by audiovisual or other electronic means, without them being present at the place of the General Meeting. The procedure is decided by the Board of Directors pursuant to the provisions of law.

## 3. Minority Shareholders' Rights

Minority shareholders' rights and the exercise thereof are governed by applicable legislation, i.e. by Law 4548/2018 (particularly articles 141, 142 and 144).

## 4. Decisions of the General Meeting of the shareholders of OTE S.A. for important issues, during 2020

Apart from the issues within the competence of the General Meeting which are discussed annually, such as the approval of the annual financial statements, the election of the certified auditor etc, the General Meeting in 2020, inter alia, resolved for the cancellation of own shares along with a corresponding reduction of the Company's share capital, approved a 2-year-term Share

Buyback Programme, resolved for the amendment of the Company's Articles of Incorporation for their alignment with Law 4548/2018, approved a 4-year-term Remuneration Policy for the Board Members as well as the Remuneration Report of year 2019, preapproved the payment of remuneration to the Board Members and the Members of the Board Committees for year 2020, provided a special permission for the conclusion of agreements under Articles 97 paragraph 3, 99 paragraph. 1,2 and 100 paragraph 2 of Law 4548/2018, elected an independent non-executive member of the Board of Directors in replacement if a resigned member and resolved for the spin-off of three business sectors by the companies OTE and COSMOTE to a 100% subsidiaries of OTE Group.

#### F. Diversity policy with respect to the administrative, managerial and oversight bodies corporate

There is no separate Diversity Policy for Board members. However, the Board of Directors, in its decision to set up the Board of Directors Nomination Committee (June 2019) with responsibility for the selection of the Board's independent non-executive members, has specified that the said Committee's responsibilities will also include (a) the determination of selection criteria for the members, taking into account the need for diversity, including gender balance, and (b) the periodic assessment of the size and composition of the Board. Furthermore, the Company has adopted the Policy on Employee Relations within OTE Group, in which, inter alia, it is stated that the Company undertakes every effort to create equal opportunities for all current and potential employees regardless of gender, origin, disability, sexual orientation, religion, union memberships and political orientation, etc. The companies of OTE Group take seriously into consideration the rule for non-discrimination based on gender and in 2010 have introduced a women's quota, which renders the Company a pioneer among large international companies. In addition to broadening the talent pool, the above is expecting to add value to the Company in the long term with greater diversity at management level.

It is noted that according to the relevant provisions of Law 4706/2020 ("Corporate governance of societies anonymes, modern capital market, etc.") and circular no. 60 / 18-9-2020 of the Capital Market Commission, effective as of 17-7-2021, companies shall have at that time and implement a diversity policy for the members of the Board. In this context, the Company is getting prepared to be fully compliant with that provision.

At the end of 2020, 30% of the Company's medium and upper level managers were women; the respective percentage in the high upper level managers was 20% and in OTE Group Management Board 21%.

The age of the medium and upper level managers was between 29 and 64 years (average age 47 years), of the high upper level managers between 38 and 63 years (average age 52.5 years) and of the members of OTE Group Management Board between 47 and 63 years (average age 55 years).

With respect to the professional and educational background, the medium and upper level managers are University graduates or above in a percentage of 68%, while in the high upper level managers and members of OTE Group Management Board the respective percentage is 90% and 100%. With respect to the professional background, the members of OTE Group Management Board have many years of experience in their field and in their majority have prior experience in major /multinational firms in Greece and abroad. A significant percentage of the medium and upper level managers come from the market, while high is the percentage of managers that have evolved within the Group.

In December 31, 2020, 20% of the Board of Directors is comprised by women. However as per the age of the members of the Board of Directors, they range between 48 and 63 years of age with an average age of 55 years. As per their educational background all Board members hold University degrees either from Greek or from foreign Universities and the majority hold post-graduate degrees or/and doctoral degrees, in a variety of fields (financial, technical, business administration, political sciences, media studies etc.). Finally, all of the Board members have professional experience, either from their engagement in the market (private and international companies), or from public sector or academic positions.

#### G. Internal Controls and Risk Management Systems of the Company in relation to financial reporting process

The Board of Directors reviewed the Company's top risks, as well as its Internal Controls System.

##### INTERNAL CONTROLS SYSTEM (ICS)

OTE Group applies an Internal Control System (ICS) in order to ensure proper financial reporting, the effectiveness and efficiency of operations and adherence to legal requirements. OTE Group ICS is based on the internationally recognized COSO (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control – Integrated Framework.

OTE Group has established a standardized process for documenting and evaluating the ICS. The scope of the ICS is defined based on certain materiality levels (both quantitative and qualitative) to ensure that financial reporting risks are appropriately identified and assessed and internal controls are designed and applied on a continuous basis by the management and the personnel. The

process contains two types of controls: a) "Basic Principles" that provide the basic safeguards for financial reporting, compliance and operations and b) "Transaction level controls" that are focused on financial reporting risks.

Corporate Governance best principles and practices are embedded in the ICS which contributes to the effective and secure operation of the Company. Management tests and evaluates the internal controls annually and provides a written assurance of the effectiveness of the system.

The responsibility of the OTE Group Internal Audit business unit is to provide an opinion on the ICS for every area under review that result from its annual audit plan. The annual audit plan, as approved by the Audit Committee, is the result of a risk assessment methodology of potential Company's risks as well as an evaluation of the Internal Controls System.

Furthermore, there are mechanisms that support the evaluations and review of the ICS process performed by the Board of Directors. Indicatively, the principles and policies that comprise the OTE Group Compliance Management System, the Compliance, Enterprise Risk Management and Insurance Function under the relevant Executive Director, the OTE Group Compliance, Enterprise Risks and Corporate Governance Committee (OTE Group GRC Committee), the Compensation and Human Resources Committee as well as the Audit Committee.

### ENTERPRISE RISK MANAGEMENT SYSTEM

According to the 8th EU Directive 2006/43/EC as currently in force following its amendment by the EU Directive 2014/56/EU of the European Parliament and of the Council of April 16, 2014 on statutory audits of annual accounts and consolidated accounts (the latter was incorporated in national law 4449/2017 on statutory audit of annual and interim consolidated financial statements), the European Organizations FERMA (Federation of European Risk Management Associations) and ECIIA (European Confederation of Institutes of Internal Auditing) introduced a guidance about monitoring the effectiveness of Internal Controls and Risk Management Systems, namely the "Three lines of defense model". Part of this model, in the Second line of defense in particular, is the business unit coming under the Executive Director Compliance, Enterprise Risk Management and Insurance OTE Group, which is responsible for the continuous development of the Early Warning, Compliance and Risk Management Systems, as well as adopting and applying standards to all Group companies, methodically and consistently. Its key goal is to safeguard the existence and long-term corporate success of the OTE Group companies.

OTE Group has developed and applies an Enterprise Risk Management System that supports Management in strategic decision-making, through the identification, evaluation, communication and management of enterprise risks, including all strategic, operational mitigation monitoring measures used in risk management.

In the framework of the OTE Group ERM System, the following Policies have been adopted:

- Enterprise Risk and Insurance Management Policy
- Risk Appetite Statement
- Policy on Pensions and Risk Benefits

The OTE Group ERM System is based on the COSO ERM Framework and the ELOT ISO 31000:2018 "Risk Management - Guidelines" Standard, while its main objective is to safeguard the smooth operation and the future corporate success of OTE Group. The OTE Group ERM System is certified according to the aforementioned ISO 31000 Standard, both in Greece for OTE and COSMOTE, and in Romania for TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE.

In this context, the OTE Group ERM System defines the strategy for monitoring, response and management of enterprise risks, in order to:

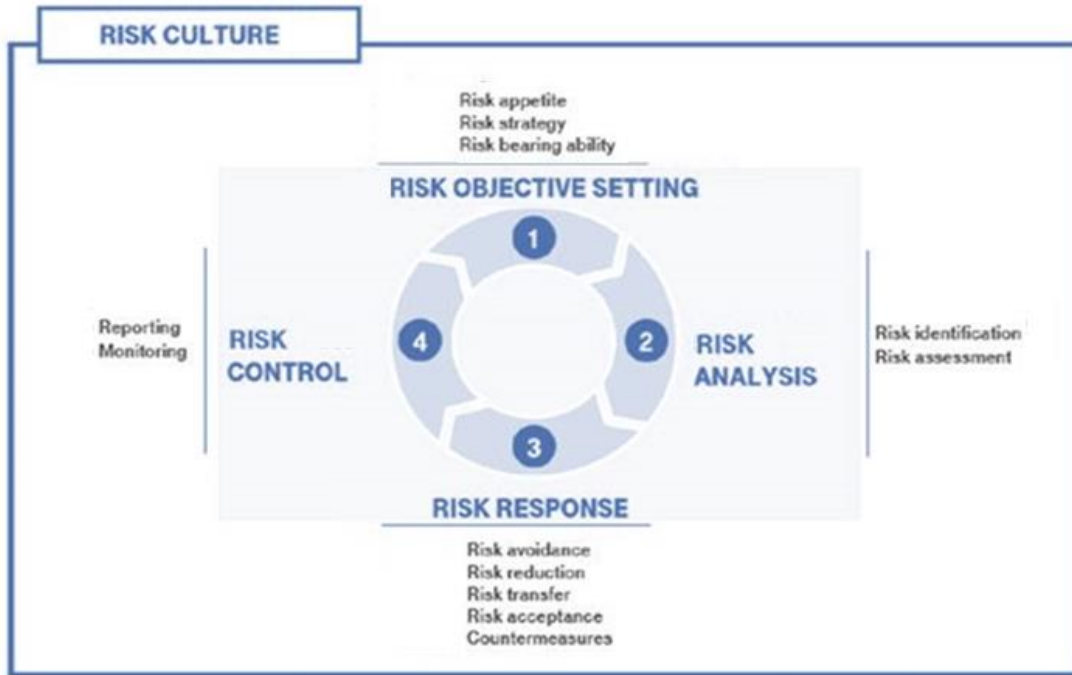
- Ensure that existing OTE Group risks are systematically identified, analyzed and evaluated and that information relevant to risks and corresponding opportunities is promptly communicated to the competent decision-making bodies.
- Record the OTE Group response to risk identification, analysis, communication and management, as well as evaluating mitigating alternatives (such as transfer the risk to third parties, e.g. insurance companies).
- Establish tolerance limits (thresholds) for each level of risk assessment and evaluation. In case these limits are exceeded, relevant reporting takes place.
- Implement a common methodology across the OTE Group Business Units and Subsidiary Companies for the identification, evaluation and management of enterprise risks.

In OTE Group, Risk Assessment is a structured process for risk identification, analysis, evaluation and management of enterprise risks, in order to ensure better informed decision making by the company's competent bodies and that appropriate mitigation has been developed to address these risks and monitor the implementation of relevant measures. In this context, a common Risk Assessment methodology is being applied to all risk assessments that are being performed by business units, with specific criteria for risk evaluation and assessment, in accordance with the requirements of the Standard ISO 31000 and based on the unified



ERM OTE Group methodology. The results of all individual risk assessments performed by business units and Group subsidiaries are included in the OTE Group Corporate Risk Register, for the systematic analysis and monitoring of enterprise risks.

The OTE Group Risk Management Culture is illustrated in the following figure:



The Enterprise Risk Management (ERM) Department OTE Group monitors, facilitates and supports the implementation of effective risk management practices. The tasks of risk managers include the reporting and monitoring of the overall situation in the Group risk portfolio, as well as compliance with the OTE Group ERM methodology in all business units and group subsidiaries. In addition, OTE Group ERM is responsible for the maintenance and continuous monitoring of the OTE Group Corporate Risk Register, which is the central repository of all Group risks.

OTE Group ERM submits, through the Executive Director Compliance, Enterprise Risk Management and Insurance OTE Group, at least four (4) times a year or ad hoc when necessary, the OTE Group Enterprise Risk Management Report to the OTE Group Compliance, Enterprise Risks and Corporate Governance Committee for its review, regarding the completeness, accuracy and precision of the "OTE Group Top Risks Heat Map" content, and then its submission to the competent corporate bodies, namely the OTE Audit Committee and the OTE Board of Directors. The OTE Group Enterprise Risk Management Report, after thorough assessment and relevant consolidation, includes business units and Group subsidiaries reports, and provides a detailed description and review of corporate risks in the reporting period. Specifically, the report includes the risk description and any new developments, the probability of occurrence and the financial impact in case of the risk's occurrence, the respective risk owner(s), the responsible mitigation owner(s), as well as the status concerning the mitigation measures to address the risk.

The external auditors are entrusted with the duty to determine whether a risk monitoring system has been installed in accordance with the Greek and European auditing standards, and whether it is sufficient to meet the requirements that have been set. This determines whether the measures taken to identify and notify all potential risks early enough are sufficient, in order for the Management to be able to take all the appropriate measures. The external auditors also consider whether the risk management system, and the risks and opportunities arising from business developments, are accurately described in the OTE Group Enterprise Risk Management Report.

## G. MATERIAL TRANSACTIONS WITH RELATED PARTIES

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

The Group includes all entities which OTE controls, either directly or indirectly. Transactions and balances between companies in the Group are eliminated on consolidation.

DEUTSCHE TELEKOM AG is a 46.9% shareholder of OTE and consolidates OTE using the full consolidation method. Therefore, all companies included in the DEUTSCHE TELEKOM group are also considered related parties.

The Company purchases goods and services from these related parties, provides services and delivers goods to them. Furthermore, OTE grants / receives loans to / from these related parties, receives dividends and pays dividends.

OTE's sales and purchases with related parties are analyzed as follows:

	2020		2019	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE Group - Greece	83.5	134.7	96.3	150.2
COSMOTE TV PRODUCTIONS	-	6.3	-	6.2
COSMO-ONE	0.1	0.5	0.1	0.5
OTESAT-MARITEL	0.4	0.4	0.2	0.1
CTS (former "OTE PLUS")	-	1.6	-	1.7
OTE ESTATE	0.2	4.3	0.1	13.9
OTE GLOBE	9.2	37.0	12.3	42.9
OTE ACADEMY	-	1.6	-	2.4
TELEKOM ROMANIA	-	0.1	1.0	0.2
TELEKOM ROMANIA MOBILE	0.1	-	0.2	-
OTE RURAL NORTH	2.2	2.7	1.8	1.9
OTE RURAL SOUTH	3.0	4.4	2.4	3.9
DEUTSCHE TELEKOM group of companies (except for OTE Group)	17.9	5.8	17.2	6.1
<b>TOTAL</b>	<b>116.6</b>	<b>199.4</b>	<b>131.6</b>	<b>230.0</b>

Following the adoption of IFRS 16, for the year 2020, purchases of OTE from related parties do not include an amount of Euro 43.3 related to lease expenses (2019: Euro 42.7).

The Group's sales and purchases with related parties which are not eliminated in the consolidation are analyzed as follows:

	2020		2019	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	42.1	49.7	47.5	43.7
<b>TOTAL</b>	<b>42.1</b>	<b>49.7</b>	<b>47.5</b>	<b>43.7</b>

OTE's other operating income with its related parties is analyzed as follows:

	Other operating income OTE	
	2020	2019
COSMOTE Group - Greece	2.9	3.2
OTE ESTATE	0.7	0.3
OTE ACADEMY	0.2	0.2
OTE GLOBE	-	0.7
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	0.1
<b>TOTAL</b>	<b>3.8</b>	<b>4.5</b>

The Group's other operating income with its related parties which is not eliminated in the consolidation is analyzed as follows:

	Group's other operating income	
	2020	2019
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	0.1
<b>TOTAL</b>	<b>-</b>	<b>0.1</b>

OTE's financial activities with its related parties, which comprise interest on loans granted and received, as well as other financial transactions are analyzed as follows:

	2020		2019	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	31.9	-	46.5
COSMOTE Group - Greece	0.2	0.4	0.3	0.6
TELEKOM ALBANIA	-	-	-	2.0
TELEKOM ROMANIA MOBILE	-	-	2.0	-
OTE RURAL NORTH	0.5	-	0.2	-
OTE RURAL SOUTH	0.4	0.1	0.4	0.1
OTE ESTATE	-	11.4	-	13.0
<b>TOTAL</b>	<b>1.1</b>	<b>43.8</b>	<b>2.9</b>	<b>62.2</b>

OTE's dividend income from its related parties is analyzed as follows:

	Dividend income OTE	
	2020	2019
COSMOTE	300.0	1,130.0
OTESAT-MARITEL	0.3	0.6
OTE ESTATE	30.7	28.6
<b>TOTAL</b>	<b>331.0</b>	<b>1,159.2</b>

Amounts owed to and by the related parties as a result of OTE's transactions with them are analyzed as follows:

	31/12/2020		31/12/2019	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE Group - Greece	184.8	162.6	133.0	204.3
TELEKOM ROMANIA MOBILE	0.4	-	0.2	-
COSMOTE TV PRODUCTIONS	0.1	1.7	-	2.2
COSMO-ONE	-	-	0.1	0.2
OTESAT-MARITEL	5.1	0.2	4.4	0.1
CTS (former "OTE PLUS")	-	0.5	-	1.9
OTE ESTATE	1.8	226.6	1.5	222.2
OTE GLOBE	2.8	15.8	4.1	17.4
OTE ACADEMY	0.5	0.4	0.5	0.5
TELEKOM ROMANIA	1.6	-	2.0	0.1
OTE RURAL NORTH	0.5	1.0	0.5	0.9
OTE RURAL SOUTH	0.7	2.0	0.7	1.6
DEUTSCHE TELEKOM group of companies (except for OTE Group)	3.0	3.0	6.5	6.5
<b>TOTAL</b>	<b>201.3</b>	<b>413.8</b>	<b>153.5</b>	<b>457.9</b>

In 2020, amounts owed to OTE by COSMOTE Group - Greece and OTESAT-MARITEL include dividend receivable of Euro 150.0 and Euro 0.9, respectively (2019: Euro 80.0 and Euro 0.6, respectively).

Following the adoption of IFRS 16, amounts owed by OTE to OTE ESTATE, COSMOTE Group – Greece, OTE RURAL NORTH and OTE RURAL SOUTH include liabilities related to leasing obligations.

OTE's lease liabilities to related parties are analyzed as follows:

	01/01/2020	Lease payments	New Contracts / Contract Modifications	Interest expense	31/12/2020
	Lease liabilities, opening balance				Lease liabilities, ending balance
OTE ESTATE	220.4	(35.9)	7.4	11.4	203.3
COSMOTE Group - Greece	10.7	(5.8)	1.0	0.4	6.3
OTE RURAL NORTH	0.8	(0.5)	0.3	-	0.6
OTE RURAL SOUTH	1.5	(1.1)	0.5	0.1	1.0
<b>TOTAL</b>	<b>233.4</b>	<b>(43.3)</b>	<b>9.2</b>	<b>11.9</b>	<b>211.2</b>

In addition, the Company's depreciation includes depreciation charge for the right-of-use assets in relation to lease agreements with related parties amounting to Euro 35.3 (2019: Euro 34.9).

Amounts owed to and by the related parties as a result of the Group's transactions with them, which are not eliminated in the consolidation, are analyzed as follows:

	31/12/2020		31/12/2019	
	Amounts owed to Group	Amounts owed by Group	Amounts owed to Group	Amounts owed by Group
DEUTSCHE TELEKOM group of companies (except for OTE Group)	10.3	357.9	20.5	166.5
<b>TOTAL</b>	<b>10.3</b>	<b>357.9</b>	<b>20.5</b>	<b>166.5</b>

As of December 31, 2020, amounts owed to Group include an amount of Euro 1.8 related to discontinued operations and amounts owed by Group include an amount of Euro 16.7 related to discontinued operations.

Amounts owed by Group to DEUTSCHE TELEKOM group as of December 31, 2020 include an amount of Euro 300.0 (nominal amount) related to Notes issued by OTE PLC and subscribed partially or in full by DEUTSCHE TELEKOM AG (December 31, 2019: Euro 100.0 (nominal amount)).

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

	31/12/2020		31/12/2019	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	1,172.1	-	1,654.2
COSMOTE Group - Greece	0.1	-	0.2	-
OTE RURAL NORTH	6.1	-	6.2	-
OTE RURAL SOUTH	8.6	-	8.5	-
<b>TOTAL</b>	<b>14.8</b>	<b>1,172.1</b>	<b>14.9</b>	<b>1,654.2</b>

Amounts owed by OTE to OTE PLC relating to loans include interest payable amounting to Euro 7.2 (December 31, 2019: 17.9).

Amounts owed to OTE by OTE RURAL NORTH and OTE RURAL SOUTH relating to loans include interest receivable amounting to Euro 0.2 as of December 31, 2020 (December 31, 2019: Euro nil).

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").

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 10.2 and Euro 9.9 for the years 2020 and 2019, respectively.

The main transactions between the Group companies are described below:

#### OTE GLOBE

OTE GLOBE provides international telephony services on behalf of OTE to international providers and invoices OTE with its fees. OTE GLOBE invoices OTE, and OTE invoices OTE GLOBE for the telecommunication traffic which passes through international networks of OTE GLOBE or international telephone networks of OTE as the case may be. In addition, the two entities have commercial transactions in relation to leased lines.

#### OTE ESTATE

OTE ESTATE earns income from leasing of buildings to OTE and its subsidiaries.

#### OTE INTERNATIONAL INVESTMENTS LTD

OTE INTERNATIONAL INVESTMENTS LTD invoices OTE for management services.

#### COSMOTE TV PRODUCTIONS

COSMOTE TV PRODUCTIONS invoices OTE for TV related services.

#### COSMO-ONE

COSMO-ONE invoices OTE and its subsidiaries for e-commerce services.

#### OTESAT-MARITEL

OTE invoices OTESAT-MARITEL for the usage of OTE's facilities for INMARSAT services. OTESAT-MARITEL invoices OTE for fixed to mobile connection.

#### CTS (former "OTE PLUS")

CTS (former "OTE PLUS") provides services of technical nature to OTE and its subsidiaries.

#### COSMOTE Group

OTE invoices COSMOTE Group with commissions for mobile connections made through OTE. OTE invoices COSMOTE Group for leased lines. COSMOTE Group invoices OTE with commissions for fixed connections made through sales channels of COSMOTE Group. OTE and COSMOTE Group have income and expenses for interconnection depending to which of the two entities' network the calls terminate, including international telephony traffic which passes through the two networks. COSMOTE Group provides OTE with mobile equipment. OTE and COSMOTE Group have also revenues and expenses for other shared services, depending which of the two entities provides the services.

#### OTE ACADEMY

OTE ACADEMY provides training services to the employees of OTE and its subsidiaries.

#### OTE PLC

OTE PLC grants / receives loans to / from OTE and its subsidiaries.

#### OTE RURAL NORTH

OTE invoices OTE RURAL NORTH for broadband infrastructure development and has granted loans to this entity. OTE RURAL NORTH provides wholesale broadband network services to OTE.

#### OTE RURAL SOUTH

OTE invoices OTE RURAL SOUTH for broadband infrastructure development and has granted loans to this entity. OTE RURAL SOUTH provides wholesale broadband network services to OTE.

#### DEUTSCHE TELEKOM group of companies

The Group has income and expenses which arise from transactions concerning incoming, outgoing and transit traffic to and from the network of the companies that belong to DEUTSCHE TELEKOM group, as well as other shared services.

## H. SIGNIFICANT EVENTS AFTER THE YEAR END

### Cancellation and Delisting of Own Shares

Under the Share Buyback Programme approved by the General Shareholders Meeting on February 20, 2020 (the 2020-2022 Programme”), and particularly during the period between March 4, 2020 and December 31, 2020, 9,965,956 own shares of a nominal value of Euro 2.83 (absolute amount) per share were acquired at an average execution price of Euro 12.14 per share. Further on, the Extraordinary General Shareholders’ Meeting of December 4, 2020, approved the cancellation of a total number of 9,965,956 own shares, along with a reduction of the Company’s share capital by Euro 28,203,655.48 (absolute amount) and a corresponding amendment of Article 5 (“Share Capital”) of the Company’s Articles of Incorporation. Following notification to the Corporate Actions Committee of the Athens Exchange (ATHEX) and completion of publicity formalities, as per applicable legislation, such shares were canceled and delisted from the ATHEX on January 15, 2021, when trading of the aforementioned shares on the ATHEX has ceased.

Under the 2020-2022 Programme and particularly during the period between March 4, 2020 and January 28, 2021 when the first year of the Programme has been completed, 11,387,932 own shares were acquired at an average execution price of Euro 12.20 (absolute amount) per share. Out of this total number 561,543 own shares were acquired during the period between January 1, 2021 and January 28, 2021.

### Spin-offs

On June 18 2020, the Boards of Directors of OTE and COSMOTE approved the initiation of a demerger through the spin-off of three separate business sectors of OTE and COSMOTE, i.e. Customer Service, Shops, Technical Field Operations, and absorption thereof by 100% subsidiaries of OTE Group, i.e. by i) “COSMOTE E-VALUE S.A., ii) GERMANOS S.A. and iii) COSMOTE TECHNICAL SERVICES S.A. (former OTEplus), respectively.

On October 8, 2020, the Boards of Directors of OTE and COSMOTE approved the Draft Demerger Agreement through Spin-off of the foregoing business sectors and the absorption thereof by the foregoing Companies of OTE Group. On December 4, 2020, the demerger through spin-offs, as per above, was approved by OTE’s and COSMOTE’s Extraordinary General Meetings of their Shareholders, as well as by the shareholders’ meeting of each of the aforementioned companies of OTE Group.

The spin-offs were consummated on January 4, 2021, with the registration in the General Business Registry (GEMI) of the Authorities’ decisions approving the foregoing transactions as well as the amendments of the companies’ Articles of Incorporation.

### COSMOTE

Payment of principal installment under the Euro 150.0 term loan with European Investment Bank (EIB).

On January 25, 2021, Cosmote paid principal installment of Euro 11.5 under the term loan with EIB, along with the accrued interest.

## I. INFORMATION REGARDING ACQUIRED OWN SHARES IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 50 PARAGRAPH 2 OF LAW 4548/2018

- During the period from February 25, 2019 until January 27, 2020, the Company purchased 9,764,743 own shares for their cancellation, under the Own Share Buyback Program approved by the General Shareholders’ Meeting of February 15, 2018 (hereinafter the “2018-2020 Programme”), as partial implementation of the Shareholders Remuneration Policy.
- The Extraordinary General Shareholders’ Meeting of February 20, 2020, approved the cancellation of the foregoing 9,764,743 own shares, purchased under the 2018-2020 Program until February 18, 2020, representing at that time 2.035% of the Company’s share capital, along with a reduction of the Company’s share capital by Euro 27,634,222.69 (absolute amount) (equivalent to the above number of own shares multiplied by the nominal value of the Company’s share, i.e. 2.83 Euro (absolute amount)), and the amendment of Article 5 (“Share Capital”) of the Company’s Articles of Incorporation.
- Following notification to the Corporate Actions Committee of the Athens Stock Exchange and consummation of other legal and regulatory procedures, the aforementioned shares were canceled and delisted from the Athens Exchange (ATHEX) as of March 27, 2020, when trading of the aforementioned shares on the ATHEX has ceased.
- Furthermore, the same Extraordinary General Shareholders’ Meeting of February 20, 2020, approved an Own Share Buyback Program of a 24-month term (hereinafter the “2020-2022 Programme”), in the context of the Shareholders Remuneration Policy, approved as per above by the Company’s Board of Directors, and for the partial implementation thereof (i.e. on top of dividend distribution).

- Under the 2020-2022 Programme and particularly during the period between March 4, 2020 and December 31, 2020, 10,826,389 own shares of a nominal value of 2.83 (absolute amount) per share were acquired, at an average execution price of Euro 12.14 per share. More specifically, until October 31, 2020 9,965,956 own shares had been acquired under the Programme, while during the period from November 1, 2020 until December 31, 2020 an additional 860,433 own shares were acquired.
- Further on, the Extraordinary General Shareholders' Meeting of December 4, 2020, approved the cancellation of the foregoing 9,965,956 own shares purchased under the 2020-2022 Program until October 31, 2020, representing at that time 2.12% of its share capital, along with a reduction of the Company's share capital by Euro 28,203,655.48 (absolute amount) (equivalent to the above number of own shares multiplied by the nominal value of the Company's share, i.e. 2.83 Euro (absolute amount)), and the amendment of Article 5 ("Share Capital") of the Company's Articles of Incorporation.
- Following notification to the Corporate Actions Committee of the ATHEX and completion of publicity formalities, as per applicable legislation, such shares were canceled and delisted from the ATHEX on January 15, 2021, when trading of the aforementioned shares on the ATHEX has ceased.
- Under the 2020-2022 Programme and particularly during the period between March 4, 2020 and January 28, 2021 where the first year of the Programme has been completed, 11,387,932 own shares were acquired at an average execution price of Euro 12.20 per share.

## J. INFORMATION ACCORDING TO ARTICLE 4 par.7 OF LAW 3556/2007

### (a) Share capital structure

According to the Company's share registry as of December 31, 2020 the Company's ownership was as follows:

Shareholders as of December 31, 2020	Number of shares	Percentage %
DEUTSCHE TELEKOM AG	220,567,676	46.9%
Hellenic State	4,901,507	1.0%
e-E.F.K.A. (refers only to the transfer of 4% from the Hellenic State)*	19,606,015	4.2%
Free float	214,272,989	45.6%
Treasury shares	10,826,389	2.3%
<b>TOTAL</b>	<b>470,174,576</b>	<b>100.0%</b>

\*Following the incorporation to e-E.F.K.A. of other social security institutions, the percentage of direct participation of e-E.F.K.A. in the Company amounts to 4.54% as of December 2020

All of the Company's shares are common, registered with voting rights and there are no special shareholder categories. The Company's shares are listed (dematerialized) on the Athens Exchange under the High Capitalization category. Until September 19, 2010, OTE ADRs (American Depositary Receipts) were also listed in the New York Stock Exchange. Following OTE's delisting from NYSE, OTE ADRs now trade in the US OTC (Over the Counter) market. OTE Global Depositary Receipts (GDRs) are also listed on London Stock Exchange.

Each share incorporates all rights and obligations as these derive from the Law 4548/2018 and the Company's Articles of Incorporation, the provisions of which, regarding the year in question, are in line with the provisions of the Law. Each share carries one vote in any General Meeting.

The allocation of the Company's net profits is being executed as provided by Law and the Company's Articles of Incorporation.

The General Meeting of shareholders maintains all its rights during liquidation. Shareholder's liability is limited to the nominal value of shares that they have in their possession. Shareholders' rights are the ones determined by the provisions of the law (i.e. Law 4548/2018).

### (b) Restrictions in the transfer of the Company's shares

The Company's shares are intangible and freely traded on the Athens Exchange and are transferred according to the Law.

According to Article 4 of Law 3016/2002, the independent non-executive members of the Company's Board of Directors cannot possess more than 0.5% of the paid-in share capital.

Under Article 19 of Regulation 596/2014 of the European Parliament and of the Council (as well as under the Commission Delegated Regulation 2016/522 and the Commission Implementing Regulation 2016/523), persons discharging managerial responsibilities as well as persons closely associated with them, are obliged to disclose their transactions relating to the Company's shares or debt instruments, or to derivatives or other financial instruments linked to them, conducted, directly or indirectly, for their own account, once a total amount of Euro 5,000 has been reached in a calendar year (without netting).

The change of control may be subject to approval by the Competition Authorities in accordance with European and Greek merger control provisions.

### (c) Significant direct or indirect investments

Significant ownership in the Company's share capital as of December 31, 2020, according to Law 3556/2007 as amended and in force, is as follows:

1. According to the notification of the May 31, 2018 (according to the provisions of Articles 9 to 11A of Law 3556/2007) by Hellenic Republic and Deutsche Telekom towards the Company, the Hellenic Republic held on such date directly 4,901,507 common registered shares of the Company with corresponding voting rights and indirectly, through the Digital Unified Social Insurance Fund (e-E.F.K.A.), 19,606,015 common registered shares of the Company with corresponding voting rights. DEUTSCHE TELEKOM AG held 220,567,676 common registered shares of OTE with the corresponding voting rights



2. The 220,567,676 common registered shares of OTE that DEUTSCHE TELEKOM AG held on December 31, 2020 corresponded to 46.91% and on February 25 2021 to 47.93% of OTE's share capital and voting rights (due to cancellation of own shares held by the Company).
3. In respect to e-E.F.K.A. participation:
  - 3.1. By virtue of an agreement dated March 4, 2009 between the Hellenic Republic and the "Social Security Fund- Single Employees Insurance Fund" (hereinafter "IKA-ETAM"), the Hellenic Republic transferred to IKA-ETAM 19,606,015 common registered shares of OTE with corresponding voting rights, which represent at that time a percentage of 4.0% of OTE's share capital or 4.17% of OTE's share capital and the corresponding voting rights at December 31, 2020.
  - 3.2. Under the foregoing agreement between the Hellenic Republic and IKA-ETAM, the latter undertakes the obligation to exercise the voting rights attaching to the shares owned by it, in coordination with the Hellenic Republic, by authorizing to this respect the same persons that are authorized by the Hellenic Republic. Following the incorporation of IKA-ETAM into the Digital Unified Social Insurance Institution (e-E.F.K.A.) and pursuant to Law 4387/2016 (Article 70), the above shares have now been transferred to e-E.F.K.A. the latter being the universal successor of IKA-ETAM and the e-E.F.K.A. has been automatically subrogated to the rights and obligations of IKA-ETAM, therefore to the rights and obligations arising from the above agreement between the Hellenic Republic and IKA-ETAM.
  - 3.3. Following the incorporation to e-E.F.K.A. of other social security institutions and the cancellation of own shares, the percentage of direct participation of e-E.F.K.A. in the Company amounts to 4.54% as of December 2020.
4. As of December 31, 2020, the Company is not aware of any other Shareholder with significant direct or indirect investments in its paid-up share capital with the respective voting rights according to the provisions of Articles 9 to 11A of Law 3556/2007.

#### (d) Owners of shares that offer special control rights

There are no issued shares of the Company that offer special control rights.

#### (e) Restrictions on voting rights - Deadlines in exercising relating rights

There are no restrictions on voting rights according to the Company's Articles of Incorporation. Regarding restrictions deriving indirectly from shareholders agreements see below under paragraph (f).

#### (f) Shareholder agreements for restrictions in the transfer of shares or in exercising of voting rights

- A. On May 14, 2008, an agreement was signed between the shareholders of the Company Hellenic Republic and DEUTSCHE TELEKOM AG, which was ratified by Law 3676/2008. This agreement, as in force following its amendment on October 10, 2016, ratified by law 4429/2016, has been amended by virtue of an agreement between the Hellenic Republic, DEUTSCHE TELEKOM AG and the HRADF dated November 2, 2016, which has been approved by the decision with no. 259 of the Inter-Ministerial Committee of Restructurings and Privatizations. This agreement between the Hellenic Republic, DEUTSCHE TELEKOM AG and the HRADF provides for restrictions in the transfer of shares as well as in the exercise of voting rights regarding the shares held by the signatories of this agreement.
- B. Following the completion, on May 30, 2018, of the sale of 24,507,520 common shares with corresponding voting rights from HRADF to Deutsche Telekom A.G representing at that time 5% of the Company's share capital with corresponding voting rights and the elimination of HRADF's ownership in the Company's share capital, HRADF has ceased, as of such date, to be a party and is no longer bound to said agreement.
- C. The transfer agreement dated March 4, 2009 and signed between the Hellenic Republic and IKA-ETAM, provides for restrictions on the transfer of shares (call option held by the Hellenic Republic, put option held by IKA-ETAM and right of first refusal of the Hellenic Republic). Also the same agreement provides for restrictions on the exercise of voting shares held by IKA-ETAM (obligation of IKA- ETAM to exercise its voting rights in coordination with the Hellenic Republic). Following the incorporation of IKA-ETAM into the Digital Unified Social Insurance Institution (e-E.F.K.A.) and pursuant to Law 4387/2016 (Article 70), the above shares have now been transferred to e-E.F.K.A., the latter being the universal successor of IKA-ETAM and the e-E.F.K.A. has automatically been subrogated to the rights and obligations of IKA-ETAM, therefore also to the rights and obligations arising from the above agreement between the Greek State and IKA-ETAM.

**(g) Rules of appointment and replacement of members of the Board of Directors and amendment of the Company's Articles of Incorporation if they differ from the provisions of Law 4548/2018**

According to the provisions in the Articles of Incorporation, the Board of Directors consists of ten (10) members and are elected by the General Meeting. The term of each Board member is three years and their service term commences on the day of the member's election by the General Meeting and terminates on the Annual General Meeting of the year when the three years from their election are completed.

In case of resignation, death or for any reason occurs derogation of one or more members before the end of their term, the remaining members of the Board of Directors, either elect – provided that at least five (5) members are present or represented – one or more replacements, or, in case the number of the remaining Directors exceeds half of the members that existed before these events happened, they continue to exercise the management or the representation of the Company, without having elected one or more replacements. If someone is elected by the Board of Directors as temporary member in someone else's position, this election is announced at the next General Meeting (regular or extraordinary), which has the authorization to replace the elected members even if this issue has not been included in the agenda of this General Meeting.

The members of the Board of Directors may always be re-elected and can be revoked anytime by the General Meeting of shareholders.

As per the Company's Articles of Incorporation, the amendment of article 20 thereof, dealing with items requiring increased quorum and majority percentages under applicable law, requires the same increased quorum/majority percentages (article 20, paragraph 1 point h of the Articles of Incorporation)

**(h) Authority of the Board of Directors or some of its members for the issuance of new shares/share buy backs according to Law 4548/2018.**

In accordance with article 6 of the Company's Articles of Incorporation, the General Meeting of shareholders, by virtue of a resolution may delegate to the Board of Directors the power to decide, by a majority of two thirds (2/3) of its members and within five (5) years from the date of the relevant resolution, on:

- I. The increase of the share capital with the issuance of new shares. The amount of the increase may not exceed three times the amount of the share capital existing on the date of the delegation to the Board of Directors of the relevant power to increase the share capital.
- II. The issuance of convertible bonds , up to an amount not exceeding three times the share capital existing on the date of the delegation to the Board of Directors of the relevant power to increase the share capital. After the exercise of the conversion rights, the share capital of the Company shall increase up to the amount provided for in the terms of the bond loan.

The above authorities of the Board of Directors may be renewed by the General Meeting for a period not exceeding five (5) years for each renewal.

There are no resolutions of the General Meeting of shareholders in force for the concession of the above authorities to the Board of Directors.

Following a resolution of the General Meeting of shareholders and pursuant to the regulations that are in force, the Company may acquire own shares corresponding to a maximum of 10% of its paid-up share capital. Such resolutions of the General Meeting are implemented by decisions either of the Board of Directors' or of the persons in which the Board of Directors has delegated such powers.

More detailed information regarding own shares having been acquired by the Company are provided above at respective Chapter H bearing title "INFORMATION REGARDING ACQUIRED OWN SHARES IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 50 paragraph 2 OF LAW 4548/2018"

The Board of Directors of the Company, in the context of partial implementation of the Shareholders Remuneration Policy through the repurchase of own shares for their cancellation,, submitted to the General Shareholders' Meeting of February 20, 2020 a proposal for the approval of an Own Share Buy Back Programme of a 24-months-term, in accordance with article 49 of Law 4548/2018.

The Own Share Buy Back Programme is executed under the terms of the legal and regulatory framework in force.

**(i) Significant Group's agreements that are in force and are amended/ terminated upon a change in control applicable to OTE or a Group subsidiary**

## DEBT - CREDIT FACILITIES

The Group has entered into various credit facilities in which a change of control clause applicable to OTE or a Group subsidiary is included. If the clause is activated the relevant company must proceed with certain actions in line with what is contractually stipulated.

The wording of the specific clause in each contract is as follows:

### Global Medium Term-Note Programme

OTE PLC has established a Global Medium-Term Note ("GMTN") Programme, guaranteed by OTE. The notes that are issued under the GMTN Programme and traded in the secondary market, are listed in the Luxembourg Stock Exchange:

- Euro 400.0 due 2022 Notes, and
- Euro 500.0 due 2026 Notes

### Change of control clauses

The Notes issued under the Global - Medium Term Note Programme include a change of control clause applicable to OTE which is triggered if an entity other than (i) DEUTSCHE TELEKOM AG, (ii) DEUTSCHE TELEKOM AG together with the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by the Hellenic Republic or any of its agencies or instrumentalities, or (iii) any telecommunications operator (other than DEUTSCHE TELEKOM AG) with credit rating equivalent or better than the credit rating of DEUTSCHE TELEKOM AG, gains the power to direct the management and policies of OTE, whether through voting rights, by contract or otherwise.

In accordance with the final terms of the Notes, in the event that the change of control clause is triggered, OTE PLC shall promptly give written notice to the bond holders who in turn shall have the option within 45 days to require OTE PLC to redeem the bonds (put option), at their principal amounts together with accrued interest up to the date of redemption.

## Bank Loans

### Euro 150.0 bilateral term loan with the European Investment Bank (EIB)

On July 10, 2017 COSMOTE signed, with the guarantee of OTE, the Euro 150.0 bilateral term loan with EIB. The EIB loan was fully drawn on January 23, 2018, has a tenor of 7 years with semi-annual repayment schedule and bears fixed interest rate of 2.805% p.a. The outstanding balance of the EIB Loan as of December 31, 2020 was Euro 103.8.

### Euro 200.0 Revolving Credit Facility with National Bank of Greece and Alpha Bank SA

On July 24, 2020, OTE signed a Bond Loan Agreement, in the form of a committed Revolving Credit Facility, with the syndication of National Bank of Greece and Alpha Bank SA, of Euro 200.0 in total and tenor of 2 years. No drawdown had taken place up to December 31, 2020.

### Change of Control Clauses

The above Bank Loans include a change of control clause applicable to OTE which is triggered if an entity other than (i) DEUTSCHE TELEKOM AG, (ii) DEUTSCHE TELEKOM AG together with the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by the Hellenic Republic or any of its agencies or instrumentalities, or (iii) any telecommunications operator (other than DEUTSCHE TELEKOM AG) with credit rating equivalent or better than the credit rating of DEUTSCHE TELEKOM AG, gains the power to direct the management and policies of OTE, whether through voting rights, by contract or otherwise.

In addition, the EIB Loan includes a change of control applicable to COSMOTE which is triggered if OTE (the Guarantor) ceases to control COSMOTE (the Borrower).

In the event that the clause is triggered in the Euro 150.0 bilateral term loan, the bank may at its option, by notice to COSMOTE, require the prepayment of the whole or any portion of the loan.

In the event that the clause is triggered in the Euro 200.0 Revolving Credit Facility, each bank may exercise its option to request mandatory prepayment of the outstanding bonds and cancellation of commitments.

## Credit Facilities for Bank Guarantees

OTE and COSMOTE have signed Credit Facilities for the issuance of Bank Guarantees with international banks.

### Change of Control Clauses

These Credit Facilities include change of control clauses which are similar to the change of control clause of the bank loans, and which are applicable to OTE and/or COSMOTE. If the clause is triggered, OTE and/or COSMOTE must proceed with repayment of any outstanding amounts under the relevant Credit Facility and provide cash cover for all guarantees issued under the relevant Credit Facility and OTE/Cosmote's relevant entitlement to utilize the respective Credit Facilities will cease

## OTE – PROCUREMENT

1) a. Service Agreement (Project Term Sheet) for the IT Services provided by T-Systems International GmbH for the new accounting standard (IFRS 15 Central Engine Solution) for the year 2020 as a part of the already concluded Framework Agreement (Project Service Agreement- PSA) with T-Systems International GmbH (T-Systems) for the provision of IT services (IT /licensing and related interconnection services) by T-Systems International GmbH.

According to the PSA the right of immediate termination for good cause, e.g. change of control, infringement of intellectual property rights of a third party, shall remain unaffected. For the avoidance of doubt, change of control shall be understood to mean a change in the majority equity ownership or the voting majority of the other Party, either directly or indirectly, from the control currently existing at the time of execution of this Agreement.

b. Service Agreement (Project Term Sheet) for the provision of IT Services (INA) between OTE SA and Deutsche Telekom IT GmbH as a part of the already concluded Framework Agreement (Project Service Agreement- PSA) with T-Systems International GmbH (T-Systems) for the provision of IT services (IT /licensing and related interconnection services) by T-Systems International GmbH. According to the PSA the right of immediate termination for good cause, e.g. change of control, infringement of intellectual property rights of a third party, shall remain unaffected. For the avoidance of doubt, change of control shall be understood to mean a change in the majority equity ownership or the voting majority of the other Party, either directly or indirectly, from the control currently existing at the time of execution of this Agreement.

2) Service Agreement (Project Term Sheet) between T-Systems Hungary Ltd and OTE S.A for the provision of Seamless Communication services through Cisco HCS Cloud Platform (SCPH). This Project Term Sheet is a part of the already concluded Framework Agreement (Project Service Agreement- PSA) with T-Systems Hungary Ltd for the provision of communication and IT services.

According to the PSA the right of immediate termination for good cause, e.g. change of control, infringement of intellectual property rights of a third party, shall remain unaffected. For the avoidance of doubt, change of control shall be understood to mean a change in the majority equity ownership or the voting majority of the other Party, either directly or indirectly, from the control currently existing at the time of execution of this Agreement.

3) Agreement between “DELOITTE BUSINESS SOLUTIONS S.A.” and OTE S.A for the preparation of the annual assets declaration (“pothen esches”) and of the statements of financial interests (Article 229 L. 4281/2014) of OTE’s managers and of the members of OTE’s BoD, who have the obligation to submit the above mentioned declaration and statements.

According to Article 4 of the standard terms and conditions of the agreement, Deloitte has the right to terminate the agreement with immediate effect, after a written notification to OTE, among others, in case the conditions have been changed (included, among others, changed in OTE's ownership or of any affiliated companies of OTE), so that the execution of any part of the agreement by Deloitte is considered illegal or in contradiction to independence regulations and its professional rules.

4) Framework Agreement between OTE and Pan-Net Slovakia for the provision by OTE to Pan-net Slovakia of IMS SSC services:

(a) Within the frame of this agreement, change of control means that Deutsche Telekom AG no longer Controls the Service Provider and/or the Service Receiver. Control means the ability of Deutsche Telekom AG to exert, directly or indirectly, a controlling influence (by means of ownership, majority of voting right, contractual arrangement or otherwise) over an entity or person.

(b) In no event a change of control shall be considered as a basis to terminate the agreement. In such a case the parties will promptly inform each other about any change of control and will establish a transitional period of not more than 12 months on the terms of this agreement for the performing of the services described in the Service Arrangements.

5) Service Agreement between the company of DT Group under the name «Hrvatski Telekom d.d» (HT) and OTE for the provision of software services through interconnection with NEC Business Marketplace platform and relevant platform support services, in order business customers of OTE to order Microsoft Office 365 products (Cloud Office).

According to the Agreement each Party shall be entitled to terminate this Agreement with immediate effect in case of change of control or infringement of intellectual property rights of a third party. For the avoidance of doubt, change of control shall be understood to mean a change in the majority equity ownership or the voting majority of the other Party, either directly or indirectly, from the control currently existing at the time of execution of the Agreement.

6) Agreement on Intercompany Provision of Products and Services for the operation and maintenance service of SAP FC consolidation tool between OTE S.A. and DT Accounting GmbH (“DTA”)

Either Party shall have the right to terminate the Agreement for good cause at any point during its term. In particular, good cause shall be deemed to exist, if shares of one of the Parties are transferred to third parties and this results in a change of control of this Party and/or DTAG is no longer the sole controlling company of the Contractor (DTA) or/and a shareholder of the Customer (OTE) of at least 40% (change of control). In this case a 1-month- prior notice shall be necessary with effect from the end of a given calendar month.

7) Framework Cooperation and Service Agreement between Magyar Telekom Plc (now DT Europe Holding GmbH (DTEH) due to assignment), as a service provider, and OTE SA, as a service receiver, concerning the provision of services in connection with an International TV Service Centre (TVSC)

According to Article 14: “The right of immediate termination for good cause, e.g. change of control, infringement of intellectual property rights of a third party, shall remain unaffected. For the avoidance of doubt, change of control shall be understood to mean a change in the majority equity ownership or the voting majority of the other Party, either directly or indirectly, from the control currently existing at the time of execution of this Agreement.”

8) Framework Cooperation and Service Agreement between OTE SA, as a service provider, and Magyar Telekom Plc (now DDT Europe Holding GmbH (DTEH) due to assignment), as a service receiver, concerning the provision of services in connection with an International TV Service Centre (TVSC).

According to Article 14: “The right of immediate termination for good cause, e.g. change of control, infringement of intellectual property rights of a third party, shall remain unaffected. For the avoidance of doubt, change of control shall be understood to mean a change in the majority equity ownership or the voting majority of the other Party, either directly or indirectly, from the control currently existing at the time of execution of this Agreement.”

9) Framework Agreement between “OTE SA” and “Deutsche Telekom Europe Holding GmbH” for the provision of TV Cloud Platform services by “Deutsche Telekom Europe Holding GmbH” to “OTE SA”.

According to clause 17 of the above Framework Agreement: In no event a Change of Control shall be considered as a basis to terminate the FA. In such a case the Parties will promptly inform each other about any Change of Control and will establish a transitional period of not more than 12 months on the terms of this FA for the performing of the Services described in the present FA.

10) Recommendation Engine (Reco) Framework Agreement between “OTE SA” and “Deutsche Telekom Europe Holding GmbH” for the provision of Recommendation Engine (RECO) Services by “Deutsche Telekom Europe Holding GmbH” to “OTE SA”.

According to clause 17 (6) and 17 (2) of the Pan- Net Reco Framework Agreement:

17(6) Change of Control

In no event a Change of Control shall be considered as a basis to terminate the Agreement. In such a case the Parties will promptly inform each other about any Change of Control and in case they agree to terminate the Agreement according to paragraph 17 (2) they will establish a transitional period of not more than twelve [12] months on the Terms of this Agreement for the performing of the Services.

17 (2) During the Term, the Parties shall at any point of time be entitled to terminate this whole Agreement or some of its parts without assigning any reason whatsoever by providing at least a twelve [12] months termination notice in writing to the respective Party.”

[11\) Framework Agreement for the provision of reporting Services between Deloitte Business Solutions S.A for the provision of accounting Services \(BPS\) and OTE S.A as well as the respective Statement of Work for the provision of Reporting Services for the implementation of the above Framework Agreement.](#)

According to clause 4 ii) General Terms and Conditions of Deloitte Business Solutions S.A) of the above Framework Agreement: Either Party may terminate this Contract in whole or in part, with immediate effect upon written notice to the other Party if such Party determines that,... (ii) Circumstances change (including, without limitation, changes in ownership of the other Party or any of its affiliates) so that Deloitte's performance of any part of the Contract would be illegal or otherwise unlawful or in conflict with independence or professional rules. To this end, each Party is obliged to notify immediately any change of ownership to the other Party.

[12\) Frame Agreement between Deloitte Business Solutions Societe Anonyme of Business Consultants and OTE S.A for the implementation and support services regarding the provision of configure, price and quote \(CPO\) System.](#)

According to clause 16.4 ii) of the above Framework Agreement: Either Party may terminate this Contract in whole or in part, with immediate effect upon written notice to the other Party if such Party determines that,... (ii) Circumstances change (including, without limitation, changes in ownership of the other Party or any of its affiliates) so that Deloitte's performance of any part of the Contract would be illegal or otherwise unlawful or in conflict with independence or professional rules. To this end, each Party is obliged to notify immediately any change of ownership to the other Party.

[13\) Agreement on Intercompany Provision of Products and Services within the framework of shared services between OTE S.A and DEUTSCHE Telekom Services Europe GmbH from 1-1-2018 and for an indefinite period.](#)

According to art. 14.3, if shares of one of the Parties are transferred to third parties and/or the ownership of shares in one of the parties changes and/or DTAG is no longer the sole controlling company of the Contractor or/and a shareholder of OTE of at least 40% (change of control). In this case a 6 month prior notice shall be necessary with effect from the end of a given calendar month.

[14\) Contract between OTE S.A and Deloitte Business Solutions S.A for the provision by the latter of consulting, tax, legal Services for the design and establishment of a digital platform Alliwç.](#)

According to clause 4d) ii) of Exhibit A ( General Business Terms of Deloitte Business Solutions S.A) of the above Contract: Either Party may terminate this Contract in whole or in part, with immediate effect upon written notice to the other Party if such Party determines that,... (ii) circumstances change (including, without limitation, changes in ownership of the other Party or any of its affiliates) so that Deloitte's performance of any part of the Contract would be illegal or otherwise unlawful or in conflict with independence or professional rules. To this end, each Party is obliged to notify immediately any change of ownership to the other Party.

## **COSMOTE- PROCUREMENT**

[1\) Service Agreement \(Project Term Sheet\) for the IT Services provided by T-Systems International GmbH for the new accounting standard \(IFRS 15 Central Engine Solution\) for the year 2020](#) as a part of the already concluded Framework Agreement (Project Service Agreement- PSA) with T-Systems International GmbH (T-Systems) for the provision of IT services (IT /licensing and related interconnection services) by T-Systems International GmbH.

According to the PSA the right of immediate termination for good cause, e.g. change of control, infringement of intellectual property rights of a third party, shall remain unaffected. For the avoidance of doubt, change of control shall be understood to mean a change in the majority equity ownership or the voting majority of the other Party, either directly or indirectly, from the control currently existing at the time of execution of this Agreement.

[2\) Pan-net Service Agreement between COSMOTE SA, as the service provider, and Deutsche Telekom Pan-Net Greece EPE, as service receiver, under which the following Service Arrangements \(SAs\) are in place: \(a\) SA on infrastructure services \(co-location and smart hands services\) and \(b\) SA on human resources services..](#)

According to the definitions and Article 14 of the Pan-net Service Agreement: " in no event a change of control shall trigger a good cause for termination according to paragraph 14 (2). If (i) the Service Provider terminates this Agreement according to paragraph 14 (2), and (ii) a Change of Control has occurred within a timeframe of one year before the termination, and (iii) the services

rendered by the Service Provider will last less than six months after the termination, the Parties shall agree on a reasonable transition period for provision of services which last at least 6 and no longer than 12 months beginning from the date of termination of this Agreement under (i) above. The terms of this Agreement for performing providing the Services shall remain in force during the transition period.”

[3\) a. Service Change Agreement to Pan Net VoXX Framework Agreement regarding the provisioning of the VoXX EVS Codec Support between Deutsche Telekom Europe Holding GmbH as Service Provider and COSMOTE Mobile Communications S.A as Service Receiver.](#)

[b. Service Change Agreement to Pan Net VoXX Framework Agreement regarding the provisioning of the VoXX Pre-alerting SRVCC between Deutsche Telekom Europe Holding GmbH as Service Provider and COSMOTE Mobile Communications S.A as Service Receiver.](#)

According to clause 17 (6) and 17 (2) of the Pan Net VoXX Framework Agreement:

17(6) Change of Control

In no event a Change of Control shall be considered as a basis to terminate the Agreement. In such a case the Parties will promptly inform each other about any Change of Control and in case they agree to terminate the Agreement according to paragraph 17 (2) they will establish a transitional period of not more than twelve [12] months on the Terms of this Agreement for the performing of the Services.

17 (2) : During the Term, the Parties shall at any point of time be entitled to terminate this whole Agreement or some of its parts without assigning any reason whatsoever by providing at least a twelve [12] months termination notice in writing to the respective Party.

[4\) Framework Agreement between COSMOTE and Deutsche Telekom Pan-Net Greece EPE for the provision by COSMOTE of services regarding Multi Value Added Services \(“mVAS”\):](#)

(a) Within the frame of this agreement, change of control means “a change in the majority equity ownership or the voting majority of COSMOTE and/or Deutsche Telekom Pan-Net Greece EPE, either directly or indirectly, from the control currently existing at the time of execution of this Agreement”.

(b) In no event a change of control shall be considered as a basis to terminate the agreement. In such a case the parties will promptly inform each other about any change of control and will establish a transitional period of not more than 12 months on the terms of this agreement for the performing of the services (as described in the Service Arrangements).

[5\) MVas Framework Agreement between Deutsche Telekom Europe Holding GmbH \(DTEH\) and COSMOTE Mobile Telecommunications S.A. \(COSMOTE\) for the provision by DTEH of Multi Value Added Services \(mVAS\)](#)

According to the definitions and Article 17 of the Agreement: “In no event a Change of Control shall be considered as a basis to terminate the Agreement. In such a case the Parties will promptly inform each other about any Change of Control and will establish a transitional period of not more than 12 months on the terms of this Agreement for the performing of the Services described in the Customer Facing Service Arrangement.”

[6\) Framework Cooperation and Service Agreement between COSMOTE, as the service provider, and Deutsche Telekom Pan-Net Greece EPE, as the service receiver, for the provision of colocation in the frame of VoXX services](#)

According to the definitions and Article 16: “In no event a Change of Control shall be considered as a basis to terminate the Agreement. In such a case the Parties will promptly inform each other about any Change of Control and will establish a transitional period of not more than 12 months on the terms of this Agreement for the performing of the Services described in the Service Arrangements.”

[7\) Contract between COSMOTE Mobile Telecommunications S.A and Deloitte Business Solutions S.A for the provision of Services for the Operational Review of Contract](#)

According to clause 4d)ii) of Exhibit C ( General Business Terms of Deloitte Business Solutions S.A) of the above Contract: Either Party may terminate this Contract in whole or in part, with immediate effect upon written notice to the other Party if such Party determines that,... (ii) circumstances change (including, without limitation, changes in ownership of the other Party or any of its affiliates) so that Deloitte's performance of any part of the Contract would be illegal or otherwise unlawful or in conflict with independence or professional rules. To this end, each Party is obliged to notify immediately any change of ownership to the other Party.

**8) Frame Agreement between Deloitte Business Solutions Societe Anonyme of Business Consultants and COSMOTE MOBILE TELECOMMUNICATIONS S.A for the implementation of BI/DW Big Data Analytics**

According to clause 164.4 ii) of the above Framework Agreement: Either Party may terminate this Contract in whole or in part, with immediate effect upon written notice to the other Party if such Party determines that,... (ii) Circumstances change (including, without limitation, changes in ownership of the other Party or any of its affiliates) so that Deloitte's performance of any part of the Contract would be illegal or otherwise unlawful or in conflict with independence or professional rules. To this end, each Party is obliged to notify immediately any change of ownership to the other Party.

**9) Agreement on Intercompany Provision of Products and Services within the framework of shared services between OTE S.A and DEUTSCHE Telekom Services Europe GmbH from 1-1-2018 and for an indefinite period.**

According to art. 14.3, if shares of one of the Parties are transferred to third parties and/or the ownership of shares in one of the parties changes and/or DTAG is no longer the sole controlling company of the Contractor or/and a shareholder of OTE of at least 40% (change of control). In this case a 6 month prior notice shall be necessary with effect from the end of a given calendar month.

**10) Statement of Work for the provision of Tax, Advisory and Compliance Services between Deloitte Business Solutions S.A and COSMOTE MOBILE TELECOMMUNICATIONS S.A**

According to clause 4 ii) General Terms and Conditions of Deloitte Business Solutions S.A) of the above Statement of Work: Either Party may terminate this Contract in whole or in part, with immediate effect upon written notice to the other Party if such Party determines that,... (ii) circumstances change (including, without limitation, changes in ownership of the other Party or any of its affiliates) so that Deloitte's performance of any part of the Contract would be illegal or otherwise unlawful or in conflict with independence or professional rules. To this end, each Party is obliged to notify immediately any change of ownership to the other Party.

## **INSURANCE AGREEMENTS**

**1) Directors and Officers Insurance Liability Policy (D&O Contract)**

OTE SA has concluded with AIG Europe Limited a Directors and Officers Insurance Liability Policy (D&O Contract), which contains, inter alia, a "change of control" clause. In case that such an incident occurs, this shall constitute "risk increase", and hence the insurance cover provided under the said Policy will apply only to claims raised against Directors and Officers prior to the effective date of the "change of control".

**2) All Risks Property Damage and Business Interruption Insurance Policy**

OTE SA (policyholder) has concluded with ALLIANZ Hellas Insurance Company S.A. an All Risks Property Damage and Business Interruption Insurance Policy (hereinafter the "Policy"), providing coverage for OTE SA and all majority owned subsidiaries in Greece included in the consolidated balance sheet of OTE SA.

It is noted that the "Policy" is part of an international program, which consists of a Master Policy and Local Policies in the countries forming part of the program. A cancellation of the Master Policy also applies to this Policy.

Finally, the "Policy" contains inter alia, a Divestment Clause, which stipulates that should the policyholder be acquired by a company not belonging to the Deutsche Telekom Group during the term of this "Policy", then coverage will cease and the "Policy" will be cancelled with effect from the closing date of the transaction between the Deutsche Telekom Group and the new owner.

**3)** OTE SA has concluded with AXA Insurance Company SA an Insurance Liability Policy (hereinafter the "Policy"), providing coverage for liability due to arise as a result of potential bodily injury or material damage caused to third parties. It is noted that in accordance with the Policy's definitions, as "co-insured" companies are defined all OTE SA's subsidiaries in Greece which are owned by OTE SA with share 50% at a minimum. The possession by OTE SA of the said percentage constitutes criterion for the continuation of the provision of the insurance coverage to OTE SA's subsidiaries under the Policy. In particular this shall be interpreted to mean that should OTE SA's possession of the said percentage is diminished below 50% then this will result in the cease of the insurance coverage provided to the subsidiary company under the Policy.



## COMMERCIAL AGREEMENTS

OTE or OTE Group companies have entered into various commercial agreements in which a change of control clause applicable to OTE or OTE Group companies is included. The most significant of them are the following:

- [Agreements with UEFA for the rights of Champions League and Europa League 2018 – 2021 championships and for 2021 – 2024 \(including new UEFA Europa Conference League\)](#)

In 2017 OTE concluded agreements with UEFA for the rights of Champions League and Europa League 2018 – 2021 championships. In 2020, it has been decided to extend the rights for Champions League, Europa League and to grant the rights for the new Europa Conference League from 2021 until 2024. In case of a substantial change in the direct or indirect ownership or control of OTE which in the reasonable opinion of UEFA adversely affects the ability of OTE to perform its obligations under the agreements or is detrimental to the interests of UEFA, UEFA may terminate the agreements with immediate effect.

- [Agreement \(Broadcast rights agreement\) with ATP Media Operations Limited \(ATP Media\) for the acquisition of championships rights ATP Masters 1000 and ATP Finals 2017 – 2020 and 2021 - 2023](#)

OTE concluded agreement with ATP Media Operations Limited (ATP Media) for the rights of ATP Masters 1000 and ATP Finals 2017 – 2020 and 2021 - 2023 championships. In case of a change of control of OTE, ATP may terminate the agreement.

- [Agreement \(Broadcast rights agreement\) with ATP Tour INC. represented by ATP Media Operations Limited for the acquisition of tennis championships rights ATP 500, ATP 250 Pool, Next Gen ATP Finals and ATP World Tour Magazine show 2017 – 2020 and 2021 - 2023](#)

OTE concluded agreement with ATP represented by ATP Media Operations Limited (ATP Media) for the rights of ATP 500, ATP 250 Pool, Next Gen ATP Finals and ATP World Tour Magazine show 2017 – 2020 and 2021 - 2023 tennis championship. In case of a change of control of OTE, ATP may terminate the agreement.

- [Agreement \(Video-on-Demand and Pay-per-view License Agreement\) with Twentieth Century Fox Telecommunications International, Inc. for the acquisition of film rights transmitted via the Video on Demand Service of COSMOTE TV](#)

In 2017 OTE concluded an agreement with Twentieth Century Fox Telecommunications International, Inc. for the acquisition of film rights transmitted via the Video on Demand Service originally until 11-06-2020 and extended later until 31-10-2020. In case of a change of control of OTE, Fox may terminate the agreement.

- [Agreement \(Channels License Agreement\) with companies of Twenty-First Century Fox Telecommunications International, Inc. group of companies for the acquisition of media rights for the Fox Channels](#)

In 2017 OTE concluded an agreement with companies of Twenty-First Century Fox Telecommunications International, Inc. group of companies for the acquisition of media rights of the Fox Channels until 30-09-2021. In case of a change of control of OTE, Fox may terminate the agreement.

- [Agreement \(Channel Distribution Agreement\) with BBC Studios Distribution Limited for the distribution of the channel transmitted via the Service of COSMOTE TV](#)

In 2017 OTE concluded an agreement with BBC Studios Distribution Limited for the distribution of the channel BBC Earth transmitted via the Service of COSMOTE TV until 30-09-2020. In 2020, the agreement has been amended and the term extended until 30-09-2023. In case of a material change of ownership of OTE, BBC may terminate the agreement. In case of a material change in the business or in the ownership of OTE or any person or body corporate otherwise assumes control of OTE and in the reasonable opinion of BBC such change shall adversely affect the business or reputation of BBC or the Channel(s), BBC may terminate the agreement.

- [Agreement \(Channel Distribution Agreement\) with Viasat World Limited for the distribution of two \(2\) channels transmitted via the Service of COSMOTE TV](#)

OTE concluded an agreement with Viasat World Limited for the distribution of the channels VIASAT EXPLORE SD and VIASAT NATURE SD and HD transmitted via the Service of COSMOTE TV for the term 01-10-2020 until 30-09-2023. In case of a change of control of Operator (OTE) or Network, Viasat may terminate the agreement.

- [Agreement \(Output deal\) with Universal Studios International B.V. for the acquisition of film rights](#)

In 2017 OTE concluded agreement with Universal Studios International B.V. for the acquisition of film rights until 30-06-2021. In case of a change of control of OTE, Universal may terminate the agreement.

- [Agreement \(Pay television license agreement\) with Universal Studios International B.V. for the acquisition of film rights transmitted via the Video on Demand Service of COSMOTE TV](#)

In 2017 OTE concluded agreement with Universal Studios International B.V. for the acquisition of film rights transmitted via the Video on Demand Service until 30-06-2021. In case of a change of control of OTE, Universal may terminate the agreement.

- [Agreement \(Output license agreement\) with Paramount Pictures International Limited for the acquisition of film rights](#)

OTE concluded agreement with Paramount Pictures International Limited for the acquisition of film rights until 31-07-2021. In case of a change of control of OTE, Paramount may terminate the agreement.

- [Agreement \(Digital distribution license agreement\) with Paramount Pictures International Limited for the acquisition of film rights transmitted via the Video on Demand Service of COSMOTE TV](#)

OTE concluded agreement with Paramount Pictures International Limited for the acquisition of film rights transmitted via the Video on Demand Service until 15-11-2021. In case of a change of control of OTE, Universal may terminate the agreement.

- [Agreement \(Channels License Agreement\) with Walt Disney Company Limited for the acquisition of media rights for the Disney Channels](#)

In 2017 OTE concluded an agreement with Walt Disney Company Limited for the acquisition of media rights of the Disney Channels until 31-01-2018 with a right to extend the term for three (3) more years until 31-01-2021. In case of a change of control of OTE, Disney may terminate the agreement.

- [Agreement \(Transactional Video-on-Demand and Pay-per-View License Agreement\) with Walt Disney Company Limited for the acquisition of film rights transmitted via the Video on Demand Service of COSMOTE TV](#)

OTE concluded an agreement with Walt Disney Company Limited for the acquisition of film rights transmitted via the Video on Demand Service originally until 11-06-2020 and extended later until 31-01-2021. In case of a change of control of OTE, Disney may terminate the agreement.

- [Agreement \(Video-on-Demand and Pay-per-View Distribution License Agreement\) with Warner Bros. Entertainment Nederland B.V. for the acquisition of film rights transmitted via the Video on Demand Service of COSMOTE TV](#)

OTE concluded an agreement with Warner Bros. Entertainment Nederland B.V. for the acquisition of film rights transmitted via the Video on Demand Service until 31-12-2020. In case of a change of control of OTE, Warner may terminate the agreement.

- [Agreement \(Transmission Rights Agreement\) with ERT for the acquisition of rights to transmit Formula 1 via the pay TV Service of Cosmote TV.](#)

In 2019 OTE concluded an agreement with Hellenic Broadcasting Corporation S.A. (or ERT) for the acquisition of rights to transmit FORMULA 1, via its Pay TV Service of COSMOTE TV, until 31-12-2020. In case of a change of control of OTE, ERT may terminate the agreement.

- OTE, following a Public Open International Tender by "Information Society S.A." (KTP SA), was selected as a Private Partnership (PP) for the Project "Development of Broadband Infrastructure in Rural "White" Areas" of Greek Territory and Infrastructure Exploitation and Development Services via Public Private Partnership" at zones 1 and 3. In accordance with the tender requirements, OTE established the special purpose company (SPV) "OTE RURAL NORTH", which signed with KTP SA a partnership contract regarding the implementation of the above project at zone 1 and the special purpose company (SPV) "OTE RURAL SOUTH", which signed with KTP SA a partnership contract regarding the implementation of the above project at zone 3. Both partnership contracts contain a term according to which the written consent of KTP SA is required for a change in each of these SPV shareholding structure. In case of shares transfer or for any other act by which the rights of vote are transferred, the written consent of KTP SA is required.

- [Agreement with CCBMS \(on behalf of the Coca-Cola group in Europe\)](#)

In 2015 OTE has concluded a significant services agreement with CCBMS Gmbh (on behalf of the Coca-Cola group in Europe) concerning the provision by OTE of outsourced Data Center services to the Coca-Cola group for 6 years. This agreement includes terms according to which the client (CCBMS Gmbh) has the right to terminate the agreement in the event of a change of control of OTE.

- [Agreement with CCBMS Gmbh \(on behalf of Coca –Cola group in Europe\)](#)

In 2017 OTE has concluded an agreement with CCBMS Gmbh concerning the provision by OTE of “First Level IT Support Services” to the Coca-Cola group for 5 years. This agreement includes terms according to which the client (CCBMS Gmbh) has the right to terminate the agreement in the event of a change of control of OTE. The total estimated fee amounts to Euro 11.000.000

- [Agreement with T- Mobile Austria](#)

In 2017 OTE has concluded an agreement with T- Mobile Austria concerning the provision of ICT “Central onEmail Collaboration Services” by OTE for 5 years. The client has the right to terminate the agreement in the event of a change of control of OTE.

- [Agreement with T-Mobile Netherlands \(1\)](#)

In 2017 OTE succeeded Cosmote in the contract, with T- Mobile Netherlands concerning the provision of ICT “BSCS Managed Services (Layer 1 – 4)” by OTE until August 31, 2020. The client has the right to terminate the agreement in the event of a change of control of OTE unless such change of control takes place within the DT Group.

- [Agreement with T-Mobile Netherlands \(2\)](#)

In 2017 OTE has concluded an agreement with T-Mobile Netherlands for the provision of “ERP Operations Services” until 30/06/2022. The total estimated fee amounts to Euro 1,900,000.00. The client has the right to terminate the agreement in the event of a change of control of OTE unless such change of control takes place within DT Group.

## OTHER AGREEMENTS

During 2020, pursuant to the procurement procedures of European agencies and organizations, OTE S.A has been awarded with the contracts listed below, all providing that contracting authority has the right to terminate the contract any time, if a change to the contractor’s legal, financial, technical, organizational or ownership situation is likely to substantially affect the implementation of the contract.

- The framework service contract dated 23-01-2020, concluded with the EUROPEAN CHEMICALS AGENCY, for the provision of Managed IT workplace services, against a maximum budgeted fee of Euro 2.750.000 (absolute amount) for a two-years (2) term.
- The framework service contract dated 17-07-2020, concluded with the EUROPEAN CHEMICALS AGENCY, for the provision of consultancy/advisory services based on Microsoft products and technologies, against a maximum budgeted fee of Euro 7.600.000 (absolute amount) for a two-years (2) term.
- The framework service contract dated 17-12-2020, concluded with the EUROPEAN PATENT ORGANIZATION, for the provision of IT Operational services from 17-12-2020 until 31-10-2025.
- The framework service contract dated 03-12-2020, concluded with the EUROPEAN MEDICINES AGENCY, for the provision of external services for IT Infrastructure Administration, Security Implementation and End User Equipment and Software Management, against a maximum budgeted fee of Euro 6.100.000 (absolute amount) for a two-years (2) term. OTE S.A participates in this contract as a member of the association of companies “OTE A.E. - ARHS Development S.A. – ALTIA Consultores S.A.” with a 50%.”
- The framework service contract dated 26-11-2020 concluded with EUROPEAN BORDER AND COAST GARD AGENCY (FRONTEX), for the provision services for development, consultancy and support of information systems under Time and Means conditions, against a maximum budgeted fee of Euro 34.000.000 (absolute amount) for a two-years (2) term. OTE S.A participates in this contract as a member of the association of companies “OTE A.E. – FINCONS S.P.A.” with 75%.”
- The framework service contract dated 13-11-2020, concluded with the EUROPEAN PATENT ORGANIZATION, for the provision of technical consultancy advice and support services in the area of IT from 13-11-2020 until 31-10-2025.

## OTE SUBSIDIARIES

### OTESAT-Maritel

There is a “change of control” clause included in the main Agreements which have been signed between OTESAT-Maritel and Inmarsat for INMARSAT Satellite Products and services. According to this term, Inmarsat have the right to terminate the agreement in case of change of shares control of OTESAT-Maritel. These are Agreements where OTESAT-Maritel is enable to resell Inmarsat “Fleet Xpress” and “Fleet Broadband” products and services. These Agreements have been signed on November 7, 2016 and July 1, 2017 and in their terms and conditions it is not included a total fee amount for services/ products, but only a price list according to its prices OTESAT-Maritel can resell such Inmarsat services and products to OTESAT-Maritel’s customers. A “change of control” clause included in an Agreement which has been signed between OTESAT-Maritel and Inmarsat that regards a new version of the necessary equipment for the provision of Inmarsat ‘s Fleet Xpress service. This Agreement has been signed on June 7, 2018. A change of control” clause is also included in the 23.12.2020 Inmarsat Agreement for the provision of “government” services.

There is a “change of control” clause included in the Agreement which has been signed on February 11, 2019 between OTESAT-Maritel and Orolia B.V., which is a supplier of bridge equipment. According to this Orolia B.V. reserves the right to terminate the Agreement in case of change of OTESAT-Maritel’s shares control change.

### TELEKOM ROMANIA

- (i) [Brand License Agreement dated September 30, 2014 between DT - TELEKOM ROMANIA](#)
- (ii) [Brand License Agreement dated September 30, 2014 between DT – TELEKOM ROMANIA MOBILE](#)

Scope of the Agreement: DT granted to TKR/TKRM/ the limited, non-exclusive, personal, non-transferable and royalty-bearing license to use the Licensed Trademarks for the Licensed Services and the Licensed Products in the Territory. Both agreements include a clause proving the right of DT to terminate the contract in case it ceases to have a dominating shareholder’s position.

*“Each Party may terminate this Agreement for cause with immediate effect at any time by giving written notice if:*

- (A) the Licensor ceases to have a dominating shareholder’s position, with regard to the Licensee in accordance with Section 17 AktG or in accordance with the applicable national laws granting no less protection to the Licensor;”*

- [TELEKOM ROMANIA contract with NBA Properties for the distribution on Telekom Sport Channels of the NBA](#)

Contract concluded with NBA Properties in respect of the distribution on Telekom Sport Channels of the NBA sport competition, seasons 2020-2022 (expires on 30.06.2022). In case of the transfer of a controlling interest, NBA approval is needed under the sanction of termination.

- [TELEKOM ROMANIA contracts with UEFA for the distribution on Telekom Sport Channels of the UEFA Champions League, UEFA Super Cup, Europa League, UEFA Youth League, UEFA Futsal Champions League Finals, UEFA Women’s Champions League Finals](#)

Contracts concluded with UEFA in respect of the distribution on Telekom Sport Channels of the mentioned sports competitions (validity until 2021). In case of a Change of Control, TELEKOM ROMANIA has the obligation to inform UEFA in writing immediately and UEFA may terminate the contract with immediate effect by written notice if in its reasonable opinion such Change of Control adversely affects the ability of TELEKOM ROMANIA to perform its obligations or is detrimental to the interests of UEFA. Following such termination, UEFA will have no obligation to reimburse the license fees paid by TELEKOM ROMANIA in advance, whilst all license fees due for the remainder of the original term of the contract shall become immediately due and payable.

- [TELEKOM ROMANIA contract with DFL Deutsche Fußball Liga e.V. for the distribution on Telekom Sport Channels of Bundesliga competition](#)

Contract concluded with DFL Deutsche Fußball Liga e.V. in respect of the distribution on Telekom Sport Channels of Bundesliga competition, seasons 2018-2021 (expires on 30.06.2021). In case of a Change of Control, TELEKOM ROMANIA has the obligation to immediately inform the licensor, whilst the licensor has the right to terminate the contract with immediate effect if such Change of Control could affect its commercial interests (following a 14 days remedy period).

- [TELEKOM ROMANIA contract with ANTENA TV GROUP S.A. and ANTENA 3 S.A.](#)

Contract concluded with ANTENA TV GROUP S.A. and ANTENA 3 S.A. in respect of the retransmission of their TV channels (Antena 1, Antena 1 HD, Antena Stars, Antena Stars HD, Happy Channel, Happy Channel HD, Zu TV, Zu TV HD and Antena 3 News and Current Affairs and Antena 3 News and Current Affairs HD) for the period 20.07.2019 until 19.07.2021. In case of a business transfer having as result the transfer of a part/all of its subscribers to a third company, TELEKOM ROMANIA is obliged to enforce in the contractual obligations agreed to that specific third party, to maintain the current commercial terms for the contractual obligations agreed, for the term agreed, in respect of the transferred subscribers. The parties agree that failure to comply with such obligation will cause damages to the broadcasters amounting the remaining value of the Agreement (calculated as per the value of the last month before the transfer, until the expiration of the agreed term).

- [TELEKOM ROMANIA contract with The Walt Disney Company Limited](#)

Contract concluded with The Walt Disney Company Limited in respect of Disney Channel and Disney Junior (currently under prolongation negotiations until 30 September 2023). In case of a change of control, The Walt Disney Company Limited may terminate the agreement at its discretion immediately on written notice to Telekom Romania.

- [TELEKOM ROMANIA MOBILE contract with DTAG for the provision of aero complementary ground components services](#)

EAN project - In 2017 TELEKOM ROMANIA MOBILE concluded a contract with DTAG for the provision of aero complementary ground components services in Romania. In case of change of control of TELEKOM ROMANIA MOBILE, DTAG shall be entitled to terminate the Agreement with immediate effect

- ["Fiber Pool" Project - In 2014 TELEKOM ROMANIA concluded a contract with DTAG for International Telecommunication Transport Services.](#)

Concluded in 2014, in case of change of control of Telekom Romania, DTAG shall be entitled to terminate the Agreement.

- [TELEKOM ROMANIA deed of adherence with Cisco International Limited to the Global Framework Agreement for the supply of Network Infrastructure Equipment, End Customer Equipment and Services concluded between DTAG and Cisco International Limited and Cisco Systems Inc \(GFA\) for the supply of equipment and services](#)

In 2014, TELEKOM ROMANIA concluded with Cisco International Limited a deed of adherence to GFA, for the supply of equipment and services (such as but not limited to, maintenance, support, installation and system integration services), valid for the term of GFA (which is automatically renewed). In case of Change of Control (as defined below) in any party's organization, either party has the right to extraordinarily terminate the deed of adherence, in its sole discretion and with a thirty (30) days' notice.

- [TELEKOM ROMANIA deed of adherence with Cisco International Limited to the Global Framework Agreement for the supply of Resale Equipment and Services concluded between DTAG and Cisco International Limited and Cisco Systems Inc \(GSIA\) for the supply of equipment and services for resale purposes](#)

In 2014, TELEKOM ROMANIA concluded with Cisco International Limited a deed of adherence to GSIA, for the supply of equipment and services (such as but not limited to, maintenance, support, installation and system integration services) for resale purposes, valid for the term of GSIA (which is automatically renewed). In case of Change of Control (as defined below) in any party's organization, either party has the right to extraordinarily terminate the deed of adherence, in its sole discretion and with a thirty (30) days' notice.

- [TELEKOM ROMANIA lease agreement with Baneasa Business and Technology Park SA \(BBTP\)](#)

The agreement was concluded on June 27, 2008 for a period of 5 years, and extended until 31st of December, 2021. In case of the change of control the respective Party will inform the other Party by registered mail with acknowledgment of receipt, from the moment such a transaction is approved by the competent corporate bodies. The Party that have been notified of the Qualifying Change of the Majority Shareholder of the other Party will have the right, to be exercised within 60 days as of the date it was notified of such change, to terminate this Agreement by notice given to such other Party in writing, stating that this Agreement will terminate on the Termination Date, which is 10 days from receipt of the termination notice. The above provisions shall not be applicable to any change of the Majority Shareholder which qualifies as an intra-group transaction.

- [TELEKOM ROMANIA contract with NGC Europe Limited](#)

Contract concluded with NGC Europe Limited in respect of NatGeo Channel SD, NatGeo Channel HD, NatGeo Wild SD, NatGeo Wild HD, NatGeo People SD, valid until 31 December 2021 (with 1 year prolongation if neither party notifies termination). In case of a change of control, The NGC Europe Limited may terminate the agreement at its discretion immediately on written notice to Telekom Romania.

- [TELEKOM ROMANIA contract with Viacom INTERNATIONAL Hungary Kft.](#)

Contract concluded with VIACOM INTERNATIONAL HUNGARY Kft. in respect of Comedy Central Romania, Paramount Channel Romania, Nickelodeon, Nickelodeon HD, Nick Jr, NickToons MTV, MTV Rocks, MTV Live HD, VH1, VH1 Classic, valid until 31 December 2021. The change of control clause provides that Telekom Romania has the obligation to notify Viacom in writing as soon as reasonably practicable following the completion of a change of control transaction.

- [MVNO contract between TELEKOM ROMANIA MOBILE and TELEKOM ROMANIA](#)

Wholesale Access contract concluded between TKRM and TKR, valid until 2024, providing that in case a third party acquires direct or indirect control over the other party, the contract may be terminated under the condition of the payment of an early termination fee.

It is noted that in the framework of the share purchase agreement between OTE (as seller) and Orange Romania (as Purchaser) regarding OTE's participation in TELEKOM ROMANIA, an MVNO Novation and Migration Agreement was signed on November 6, 2020 (the "MVNO Novation Agreement"), between TELEKOM ROMANIA MOBILE, TELEKOM ROMANIA, and the Purchaser, concerning, inter alia, the transfer to the Purchaser of the rights and obligations of TELEKOM ROMANIA MOBILE deriving from the above MVNO contract with effect from the completion of the abovementioned sale of TKR shares transaction. In case such sale of TELEKOM ROMANIA's shares is not completed, the MVNO Novation Agreement shall be automatically terminated.

- [Contract between TELEKOM ROMANIA and UNIVERSITATEA POLITEHNICA BUCURESTI](#)

Public Acquisition Contract concluded between TKR and UNIVERSITATEA POLITEHNICA BUCURESTI, having as object the unified management and security solution for campus data infrastructure, expiring on 31.12.2020, which provides that in case of a change of control, UNIVERSITATEA POLITEHNICA BUCURESTI has the right to terminate the contract, without prejudice to any parties' claim for damages.

- [Contract between an association composed by TELEKOM MOBILE ROMANIA COMMUNICATIONS \(Leader\) and ELECTRO-URSA SERVCOM SRL with BECLEAN CITYHALL](#)

Public Acquisition Contract concluded between an association composed by TELEKOM MOBILE ROMANIA COMMUNICATIONS (Leader) and ELECTRO-URSA SERVCOM SRL with BECLEAN CITYHALL, having as object design and works on public lighting system, expiring on 07.10.2022, providing the right of Beclean Cityhall to terminate the contract without any further formality or intervention of the courts, unless its approval is obtained.

- [Contract between TELEKOM ROMANIA with INSTITUTUL DE IGIENA SI SANATATE PUBLICA VETERINARA](#)

Public Acquisition Contract concluded between TKR and INSTITUTUL DE IGIENA SI SANATATE PUBLICA VETERINARA, having as object design and construction works for client's headquarter, expiring on 25.05.2022, providing the right of INSTITUTUL DE IGIENA SI SANATATE PUBLICA VETERINARA to terminate the contract in case of a change of control, with a 5 days prior notification, without any further formality or intervention of courts, unless its approval is obtained.

- [Contract between an association of TELEKOM ROMANIA \(Leader\) and IRIDEX GROUP PLASTIC S.A with BAIAMARE CITYHALL](#)

Public Acquisition Contract concluded between an association of TKR (Leader) and IRIDEX GROUP PLASTIC SA with BAIAMARE CITYHALL, having as object the supplying and installing waste underground facilities, expiring on 22.09.2022, providing that in case of a change of control BAIAMARE CITYHALL has the right to terminate the contract, with a 10 days prior notification, without any further formality or intervention of the courts, unless its approval is obtained.

- [Contract between TELEKOM ROMANIA and Cisco International Limited](#)

Telekom Romania Project Specific Annex (PSA) for EU Harmonized model for services and support with Cisco International Limited to the Global Framework Agreement for the supply of Network Infrastructure Equipment, End Customer Equipment and Services concluded between DTAG and Cisco International Limited and Cisco Systems Inc (GFA) for the provision of advanced support

services. In 2020, Telekom Romania concluded with Cisco International Limited the PSA, for the supply of advanced support services, valid until 31.12.2022. In case of Change of Control (as defined below) in any party's organization, either party has the right to extraordinarily terminate the PSA, in its sole discretion and with a thirty (30) days' notice.

- [Contract between TELEKOM ROMANIA and ENEL ENERGIE SA](#)

Call Center Contract concluded between TKR and ENEL ENERGIE S.A. having as object Services for Contact Center inbound calls, outbound calls, Back Office Call Center and Back Office Customer Care, expiring on 15.12.2021. The change of control clause provides that ENEL may terminate for cause the contract.

## OTE'S CREDIT EVALUATION

OTE's credit rating as of December 31, 2020 was BBB- by Standard & Poor's.

### (j) Compensating agreements with Board of Directors members or personnel in case of resignation/unfair dismissal or service employment termination due to a public offer

The Company has not entered into any agreements with the members of the Board of Directors or its personnel to compensate these persons, in case they are forced to resign or dismissed unfairly or their services or employment are terminated due to a public offer for the acquisition of its shares.

## K. ALTERNATIVE PERFORMANCE MEASURES (APMs)

The Group uses certain Alternative Performance Measures (“APMs”) in making financial, operating and planning decisions as well as in evaluating and reporting its performance. These APMs provide additional insights and understanding to the Group’s underlying operating and financial performance, financial condition and cash flow. The APMs should be read in conjunction with and do not replace by any means the directly reconcilable IFRS line items.

### Definitions and reconciliations of Alternative Performance Measures (“APMs”)

#### Alternative Performance Measures (“APMs”)

In discussing the performance of the Group, Alternative Performance Measures (“APMs”) are used such as: EBITDA and the respective margin %, Net Debt, CapEx and Free Cash Flow. The definitions and the calculations of these are presented in this section below.

Furthermore “Adjusted” measures are used such as: Adjusted EBITDA and the respective margin %, Adjusted Net Debt, Adjusted CapEx, and Adjusted Free Cash Flow. These are calculated by deducting from the performance measures deriving from directly reconcilable amounts of the annual Financial Statements, the impact of costs or payments related to voluntary leave schemes, costs or payments for restructuring plans and non-recurring litigations and Spectrum acquisitions.

#### Costs or payments related to Voluntary Leave Schemes

Costs or payments related to Voluntary Leave Schemes comprise the exit incentives provided to employees and the contributions to the social security fund to exit/retire employees before conventional retirement age. These costs are included within the income statement as well as within the cash flow statement lines “costs related to voluntary leave schemes” and “payment for voluntary leave schemes”. However, they are excluded from the adjusted results in order for the user to obtain a better understanding of the Group’s operating and financial performance achieved from ongoing activity.

#### Costs or payments related to other restructuring plans and non-recurring litigations

Other restructuring costs and non-recurring litigations comprise non-ongoing activity related costs arising from significant changes in the way the Group conducts business and non-recurring legal expenses. These costs are included in the Group’s income statement, while the payment of these expenses is included in the cash flow statement. However, they are excluded from the adjusted results in order for the user to obtain a better understanding of the Group’s operating and financial performance achieved from ongoing activity.

#### Spectrum acquisition payments

Spectrum payments comprise the amounts paid to acquire rights (licenses) through auctions run by the National Regulator to transmit signals over specific bands of the electromagnetic spectrum. As those payments are of significant size and of irregular timing, it is a common industry practice to be excluded for the calculation of the Adjusted Free Cash Flow and Adjusted Capital Expenditure (CapEx) in order to facilitate comparability with industry peers.

#### Net debt

Net Debt is an APM used by management to evaluate the Group’s capital structure and leverage. Net Debt is defined as short-term borrowings plus long-term borrowings plus short-term portion of long-term borrowings less cash and cash equivalents as illustrated in the table below. Following the adoption of IFRS 16 financial liabilities related to leases are included in the calculation of net debt from 2019 onwards.

#### Adjusted net debt

Adjusted net debt is used by management to evaluate the Group’s capital structure and leverage defined as Net Debt including other financial assets as they are highly liquidity assets. The calculations are described in the table below:

OTE Group	31/12/2020	31/12/2019	Change
Long-term borrowings	974.8	996.4	-2.2%
Short-term portion of long-term borrowings	23.1	707.5	-96.7%
Short-term borrowings	205.9	8.9	-
Lease liabilities (long-term portion)	290.6	334.5	-13.1%
Lease liabilities (short-term portion)	61.2	62.9	-2.7%
Cash and cash equivalents	(516.2)	(1,058.3)	-51.2%
<b>Net debt</b>	<b>1,039.4</b>	<b>1,051.9</b>	<b>-1.2%</b>
Other financial assets	(5.4)	(5.7)	-5.3%
<b>Adjusted net debt</b>	<b>1,034.0</b>	<b>1,046.2</b>	<b>-1.2%</b>



### Net debt and adjusted net debt excluding leases

Net Debt and Adjusted Net Debt excluding leases are used by management to evaluate the Group's capital structure and leverage excluding financial liabilities related to leases, for comparability purposes with prior years. They are defined as Net debt and adjusted Net Debt (described above) deducting financial liabilities related to leases as described below:

OTE Group	31/12/2020	31/12/2019	Change
<b>Net Debt</b>	<b>1,039.4</b>	<b>1,051.9</b>	<b>-1.2%</b>
Lease liabilities (long-term portion)	(290.6)	(334.5)	-13.1%
Lease liabilities (short-term portion)	(61.2)	(62.9)	-2.7%
<b>Net Debt excluding leases</b>	<b>687.6</b>	<b>654.5</b>	<b>+5.1%</b>
Other financial assets	(5.4)	(5.7)	-5.3%
<b>Adjusted Net Debt excluding leases</b>	<b>682.2</b>	<b>648.8</b>	<b>+5.1%</b>

### EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)

EBITDA is intended to provide useful information to analyze the Group's operating performance. EBITDA is defined as total revenues plus other operating income less total operating expenses before depreciation, amortization and impairment, as illustrated in the table below. EBITDA margin (%) is defined as EBITDA divided by total revenues.

### Adjusted EBITDA (Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations)

Adjusted EBITDA is intended to provide useful information to analyze the Group's operating performance excluding the impact of costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations. Adjusted EBITDA is defined as EBITDA adding back costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations, as illustrated in the table below. Adjusted EBITDA margin (%) is defined as Adjusted EBITDA divided by total revenues.

OTE Group	2020	2019	+/- %
Total Revenues	3,258.9	3,303.0	-1.3%
Other Operating Income	10.4	11.6	-10.3%
Total operating expenses before depreciation, amortization and impairment	(2,104.7)	(2,053.4)	+2.5%
<b>EBITDA</b>	<b>1,164.6</b>	<b>1,261.2</b>	<b>-7.7%</b>
<b>margin %</b>	<b>35.7%</b>	<b>38.2%</b>	<b>-2.5pp</b>
Costs related to voluntary leave schemes	132.6	55.3	+139.8%
Other restructuring and non-recurring litigations	13.5	6.8	+98.5%
<b>Adjusted EBITDA</b>	<b>1,310.7</b>	<b>1,323.3</b>	<b>-1.0%</b>
<b>margin %</b>	<b>40.2%</b>	<b>40.1%</b>	<b>+0.1pp</b>

### EBITDA After Lease (AL) (Earnings before Interest, Taxes, Depreciation and Amortization after Lease)

EBITDA After Lease (AL) is intended to provide useful information to analyze the Group's operating performance. EBITDA After Lease (AL) is defined as EBITDA deducting the depreciation and interest expense of leases, as illustrated in the table below. EBITDA After Lease (AL) margin (%) is defined as EBITDA After Lease (AL) divided by total revenues.

**Adjusted EBITDA After Lease (AL) (Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations After Lease)**

Adjusted EBITDA After Lease (AL) is intended to provide useful information to analyze the Group's operating performance. Adjusted EBITDA After Lease (AL) is defined as EBITDA After Lease (AL) adding back costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations, as illustrated in the table below. Adjusted EBITDA After Lease (AL) margin (%) is defined as Adjusted EBITDA After Lease (AL) divided by total revenues.

OTE Group	2020	2019	+/- %
<b>EBITDA</b>	<b>1,164.6</b>	<b>1,261.2</b>	<b>-7.7%</b>
<i>margin %</i>	<i>35.7%</i>	<i>38.2%</i>	<i>-2.5pp</i>
Depreciation for the right-of-use assets	(68.1)	(72.9)	-6.6%
Interest expense on leases	(19.0)	(20.3)	-6.4%
<b>EBITDA After Lease (AL)</b>	<b>1,077.5</b>	<b>1,168.0</b>	<b>-7.7%</b>
<i>margin %</i>	<i>33.1%</i>	<i>35.4%</i>	<i>-2.3pp</i>
Costs related to voluntary leave schemes	132.6	55.3	+139.8%
Other restructuring costs and non-recurring litigations	13.5	6.8	+98.5%
<b>Adjusted EBITDA After Lease (AL)</b>	<b>1,223.6</b>	<b>1,230.1</b>	<b>-0.5%</b>
<i>margin %</i>	<i>37.5%</i>	<i>37.2%</i>	<i>+0.3pp</i>

GREECE	2020	2019	+/- %
<b>EBITDA</b>	<b>1,126.4</b>	<b>1,223.8</b>	<b>-8.0%</b>
<i>margin %</i>	<i>38.3%</i>	<i>41.6%</i>	<i>-3.3pp</i>
Depreciation for the right-of-use assets	(52.2)	(52.6)	-0.8%
Interest expense on leases	(17.1)	(18.1)	-5.5%
<b>EBITDA After Lease (AL)</b>	<b>1,057.1</b>	<b>1,153.1</b>	<b>-8.3%</b>
<i>margin %</i>	<i>36.0%</i>	<i>39.2%</i>	<i>-3.2pp</i>
Costs related to voluntary leave schemes	132.3	53.3	+148.2%
Other restructuring costs and non-recurring litigations	9.7	5.4	+79.6%
<b>Adjusted EBITDA After Lease (AL)</b>	<b>1,199.1</b>	<b>1,211.8</b>	<b>-1.0%</b>
<i>margin %</i>	<i>40.8%</i>	<i>41.2%</i>	<i>-0.4pp</i>

ROMANIA MOBILE	2020	2019	+/- %
<b>EBITDA</b>	<b>38.4</b>	<b>37.6</b>	<b>+2.1%</b>
<i>margin %</i>	<i>11.0%</i>	<i>9.7%</i>	<i>+1.3pp</i>
Depreciation for the right-of-use assets	(16.1)	(20.5)	-21.5%
Interest expense on leases	(1.9)	(2.2)	-13.6%
<b>EBITDA After Lease (AL)</b>	<b>20.4</b>	<b>14.9</b>	<b>+36.9%</b>
<i>margin %</i>	<i>5.8%</i>	<i>3.9%</i>	<i>+1.9pp</i>
Costs related to voluntary leave schemes	0.3	2.0	-85.0%
Other restructuring costs and non-recurring litigations	3.8	1.4	+171.4%
<b>Adjusted EBITDA After Lease (AL)</b>	<b>24.5</b>	<b>18.3</b>	<b>+33.9%</b>
<i>margin %</i>	<i>7.0%</i>	<i>4.7%</i>	<i>+2.3pp</i>

**Adjusted profit to owners of the parent**

Adjusted Profit for the period attributable to owners of the parent is intended to provide useful information to analyze the Group's net profitability excluding the impact of significant non-recurring or irregularly recorded items in order to facilitate comparability with previous ongoing performance. Adjusted Profit for the period (attributable to owners of the parent) is calculated by adding back to the Profit of the period (attributable to owners of the parent) the impact upon it of the following items: costs related to voluntary leave schemes, net impact from impairments and write offs, reassessment of deferred tax, reversal of provision related to assets sales, other restructuring costs, non-recurring litigation expenses, gains from disposal of subsidiaries, effect of changes to tax rate, tax effect from deductible investment losses and intercompany dividends and tax effect from deductible provisions of prior years, as illustrated in the table below:

OTE Group - After Tax impact	2020	2019	+/- %
<b>Profit to owners of the Parent from continuing operations (reported)</b>	<b>263.4</b>	<b>336.3</b>	<b>-21.7%</b>
Costs related to voluntary leave schemes	100.8	42.2	+138.9%
Other restructuring costs & non-recurring litigations	13.0	6.6	+97.0%
Net Impact from Impairments & Write offs	148.2	88.8	+66.9%
Tax effect from deductible investment losses/ Intercompany dividends	(107.0)	(41.2)	+159.7%
Gain from disposal of subsidiary	-	(4.8)	-
Deductible provisions of prior years	-	(33.3)	-
Effect due to change in the income tax rates	-	10.3	-
Reversal of provision related to assets sales	(7.4)	(16.8)	-56.0%
<b>Adjusted Profit to owners of the parent</b>	<b>411.0</b>	<b>388.1</b>	<b>+5.9%</b>

#### Capital expenditure (CAPEX) and adjusted capital expenditure

Capital expenditure is defined as payments for purchase of property plant and equipment and intangible assets. The Group uses capital expenditure as an APM to ensure that the cash spending is in line with its overall strategy for the use of cash. Adjusted capital expenditure is calculated by excluding from Capital expenditure, spectrum payments as illustrated in the table below:

OTE Group	2020	2019	+/- %
Purchase of property plant and equipment and intangible assets - CAPEX	(667.8)	(546.7)	+22.2%
Spectrum Payments	123.5	-	-
<b>Adjusted CAPEX</b>	<b>(544.3)</b>	<b>(546.7)</b>	<b>-0.4%</b>

#### Free Cash Flow (FCF)

Free Cash Flow is an APM used by the Group and is defined as cash generated by operating activities (excluding net cash flows from operating activities of discontinued operations), after payments for purchase of property plant and equipment and intangible assets (CAPEX) and adding the interest received. Free Cash Flow is intended to measure the cash generation from the Group's business, based on operating activities, including the efficient use of working capital and taking into account its payments for purchases of property plant and equipment and intangible assets. The Group presents Free Cash Flow because it believes the measure assists users of the financial accounts in understanding the Group's cash generating performance as well as availability for debt repayment, dividend distribution and own reserves.

#### Free Cash Flow After Lease (AL)

Free Cash Flow After Lease is defined as Free Cash Flow adding the lease repayments.

OTE Group	2020	2019	+/- %
Net cash flows from operating activities	1,247.9	1,152.8	+8.2%
Minus: Net cash flows from operating activities of discontinued operations	105.8	127.5	-17.0%
Interest received	1.7	2.0	-15.0%
Purchase of property, plant, equipment & intangible assets	(667.8)	(546.7)	+22.2%
<b>Free Cash Flow</b>	<b>476.0</b>	<b>480.6</b>	<b>-1.0%</b>
Lease repayments	(63.5)	(68.1)	-6.8%
<b>Free Cash Flow After Lease (AL)</b>	<b>412.5</b>	<b>412.5</b>	<b>+0.0%</b>

#### Adjusted Free Cash Flow

Adjusted Free Cash Flow facilitates comparability of Cash Flow generation with industry peers. Adjusted Free Cash Flow is useful in connection with discussions with the investment analyst community and debt rating agencies. Adjusted Free Cash Flow is calculated by excluding from the Free Cash Flow (defined earlier) the payments related to voluntary leave schemes, other restructuring plans and non-recurring litigation expenses and spectrum.

**Adjusted Free Cash Flow After Lease (AL)**

Adjusted Free Cash Flow After Lease is defined as Adjusted Free Cash Flow adding the lease repayments.

OTE Group	2020	2019	+/- %
<b>Free Cash Flow</b>	<b>476.0</b>	<b>480.6</b>	<b>-1.0%</b>
Payment for voluntary leave schemes	109.1	58.7	+85.9%
Payment for restructuring costs and non-recurring litigations	10.8	2.3	-
Spectrum payments	123.5	-	-
<b>Adjusted Free Cash Flow</b>	<b>719.4</b>	<b>541.6</b>	<b>+32.8%</b>
Lease repayments	(63.5)	(68.1)	-6.8%
<b>Adjusted Free Cash Flow After Lease (AL)</b>	<b>655.9</b>	<b>473.5</b>	<b>+38.5%</b>

Maroussi, February 25, 2021

Michael Tsamaz  
Chairman and Managing Director

Charalampos Mazarakis  
Board Member

## **II. AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**



[Translation from the original text in Greek]

## **Independent auditor's report**

To the Shareholders of "HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A."

Report on the audit of the separate and consolidated financial statements

### **Our opinion**

We have audited the separate and consolidated financial statements of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (Company or/and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2020, the separate and consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2020, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

### **Basis for opinion**

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

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

### **Independence**

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.



The non-audit services that we have provided to the Company and its subsidiaries, in the period from 1 January 2020 to 31 December 2020 during the year ended as at 31 December 2020, are disclosed in the Note 32 “Audit and other fees” to the separate and consolidated financial statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><b>Revenue recognition</b> <i>(separate and consolidated financial statements)</i></p> <p>We focused on this area due to the volume of transactions, the complexity of the IT systems and the variety of services, products and tariffs offered.</p> <p>The Group has various IT Systems and internal controls in place to ensure a robust revenue recognition framework. In addition, certain assumptions and estimates are made by management in applying the requirements of IFRS 15 “Revenue from contracts with customers”.</p> <p>Further information on revenue recognition is included in Note 3.26 “Significant Accounting Policies – Revenue from contracts with customers”.</p>	<p>We assessed the consistency of the application of the Group’s accounting policies in respect of revenue from contracts with customers for the different sources of revenues. Our audit approach included the following key procedures:</p> <ul style="list-style-type: none"><li>• We tested the IT environment of systems supporting material revenue streams, covering the processes of ordering, provision of services, billing and rating. Our procedures also included an assessment of the controls environment and the internal controls relating to change management and restricted access over these IT systems.</li><li>• We tested internal controls in relation to transactions recorded and transferred across systems, from their initial capturing through their recording in the general ledger.</li><li>• We tested internal controls over the algorithmic calculations supporting estimates regarding revenue recognition.</li><li>• We tested internal controls in respect of the accounting entries required by IFRS 15 and assessed the design and internal controls of the IT systems that support those accounting entries.</li><li>• We traced revenue invoices on a sample basis and recalculated the amount of revenue based on pricelists and data.</li></ul>

Based on our work, no exceptions were noted in respect of revenue recognition, as described in Note 3.26 to the financial statements.

### **Impairment assessment of goodwill, property, plant & equipment and intangible assets**

#### **(consolidated financial statements)**

At 31 December 2020, the Group had goodwill of €376.6 mn (Note 6 “Goodwill” to the financial statements), property, plant & equipment of €2,060.6 mn (Note 4 “Property, Plant and Equipment” to the financial statements), telecommunications licenses of €361.0 mn (Note 7 “Telecommunication Licenses” to the financial statements) and other intangible assets of €408.0 mn (Note 8 “Other Intangible Assets” to the financial statements). Goodwill is tested for impairment at least annually, while property, plant & equipment and intangible assets with finite useful lives are tested for impairment whenever there are indications of impairment.

The above assets are allocated within the following cash generating units (“CGUs”): Cosmote Greece (mobile operations), Telekom Romania Mobile (mobile operations), OTE (fixed telecommunications). The CGU Telekom Romania (fixed telecommunications) has been classified as Held for sale as at 31 December 2020, therefore its assets are presented separately in the Group’s statement of financial position. More specifically, goodwill is allocated to Cosmote – Greece CGU .

We focused on this area given that management has determined the recoverable amount of each CGU as the higher of fair value less costs to sell and value-in-use. This requires judgement on the part of management about the future results of the above CGUs and the discount rates applied to future cash flow forecast.

We evaluated management’s overall impairment testing process, including assessing the process by which the impairment testing models are reviewed and approved.

The key assumptions assessed included, revenue and margin trends, estimated capital expenditure on network assets and discount rates.

With the support of our valuation specialists, we discussed extensively with management the suitability of the impairment models and reasonableness of the assumptions by:

- Benchmarking key assumptions in management’s valuations models with industry trends and with assumptions made in the prior years.
- Testing the mathematical accuracy of the cash flow models and agreeing relevant data to approved business plans.
- Assessing the reliability of management’s forecast through a review of actual performance against previous forecasts.
- Reviewing discount rate calculations.
- Reviewing the share purchase agreement and checking management’s adjustments against the terms of the agreement.
- Holding discussions with management in relation to their accounting estimates for adjustments and costs of disposal and traced back to available information and other supporting documentation .

We validated the appropriateness of the related disclosures included in Notes: 2 “Basis of Preparation”, 3 “Significant Accounting Policies”, 4 “Property, Plant and Equipment”, 6 “Goodwill”, 7 “Telecommunication Licenses”, 8 “Other Intangible Assets” and 9 “Investments” to the financial



Management's judgements relate to such variables as average rate of revenue increase and future operating profit before financial and investing activities, depreciation, amortization and impairment. Details on the assumptions used are included in Notes 6 "Goodwill" and 9 "Investments" to the financial statements.

Furthermore, within 2020, a share purchase agreement (SPA) was signed for the sale of Telekom Romania (fixed telecommunications) based on which the recoverable amount of the CGU was re-evaluated, whereas in relation to the CGU of Telekom Romania Mobile there were impairment indicators due to the operational segregation of the fixed and mobile business as well as the termination of significant synergies between the two CGUs.

Taking into account the agreed consideration less the costs of disposal and other adjustments in accordance with the SPA, a reversal of impairment amounting to €50 mn was recognized in the year ended 31 December 2020 in relation to Telekom Romania (fixed telecommunication) and is included in the line "Profit/(loss) from discontinued operations". Furthermore, as a result of the impairment assessment of Telekom Romania Mobile business for the year ended 31 December 2020, an impairment charge of €160.0 mn was recognized, which was allocated to property plant and equipment (€50.0 mn), telecommunication licenses (€106.5 mn) and other intangible assets (€3.5 mn) (Notes: 2 "Basis of Preparation", 3 "Significant Accounting Policies", 4 "Property, Plant and Equipment", 7 "Telecommunication Licenses" and 8 "Other Intangible Assets" to the financial statements).

statements.

Based on our procedures, we noted no exceptions and consider management's key assumptions to be within a reasonable range.

## **Impairment assessment of investments in subsidiaries**

### ***(separate financial statements)***

At 31 December 2020, the Company had investments in subsidiaries of €3,083.8 mn, which are accounted for at cost adjusted for any impairment where necessary (Note 9 “Investments” to the financial statements).

The significant investments in subsidiaries comprise Cosmote (€2,763.4 mn) that owns the Group’s mobile operations in Greece and Telekom Romania Mobile (€119,6 mn), but do not include anymore OTE International Investments (€148,7 mn), the parent of Telekom Romania that also holds an indirect ownership in Telekom Romania Mobile. OTE International Investments has been classified as “Assets of disposal group classified as held for sale” in the company’s statement of financial position as a result of the share purchase agreement described in the key audit matter above “Impairment assessment of goodwill, property plant & equipment and intangible assets”.

The remaining investments in subsidiaries amounting to €200,8 mn in total, concern various entities that relate to the Group’s Greek based operations, including its Greek real estate entity, OTE Estate.

We focused on this area because the same facts that are described in the key audit matter relating to “Impairment assessment of goodwill, property plant & equipment and intangible assets” have an impact on the above investments in subsidiaries.

In the year ended 31 December 2020 an impairment charge of €90,4 mn was recognized with respect to the Company’s investment in the subsidiary Telekom Romania Mobile. (Notes: 3.1 “Significant Accounting Policies – Basis of Consolidation and Investments” and 9 “Investments” to the financial statements).

The impairment evaluation with respect to the Company’s significant investments, was based on the procedures described in the key audit matter relating to “Impairment assessment of goodwill, property plant & equipment and intangible assets”.

Following the completion of the procedures applicable to the consolidated financial statements, we assessed the analysis prepared by management whereby the CGU recoverable amounts were matched to the relevant investments in subsidiaries to which they relate.

From our assessment of the impairment testing procedures on investments performed by management we noted no exceptions and consider management’s key assumptions to be within a reasonable range. Furthermore, we also validated the appropriateness of the related disclosures included in Note 9 “Investments” to the financial statements.



## **Other Information**

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Members of the Board of Directors and the Report of the Board of Directors (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the "2020 OTE Group Sustainability Report", which is expected to be made available to us after 25/02/2021.

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

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

We considered whether the Report of the Board of Directors includes the disclosures required by Law 4548/2018 and the Corporate Governance Statement required by article 152 of Law 4548/2018 has been prepared.

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

- The information given in the the Report of the Board of Directors for the year ended at 31 December 2020 is consistent with the separate and consolidated financial statements.
- The Report of the Board of Directors has been prepared in accordance with the legal requirements of articles 150,151,153 and 154 of Law 4548/2018,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 152 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Report of the Board of Directors and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

When we read the "2020 OTE Group Sustainability Report", if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, depending on the case, to proceed in further action in compliance with relevant legislation.

## **Responsibilities of Board of Directors and those charged with governance for the separate and consolidated financial statements**

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRS, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of



Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's responsibilities for the audit of the separate and consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated 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 and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group'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 separate and consolidated 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 and Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

## **Report on other legal and regulatory requirements**

### **1. Additional Report to the Audit Committee**

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company as provided by Article 11 of EU Regulation 537/2014.

### **2. Appointment**

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 23 June 2011. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 10 years.



PricewaterhouseCoopers S.A.  
Certified Auditors - Accountants  
268, Kifissias Avenue  
152 32 Halandri  
SOEL Reg. No 113

Athens, 25 February 2021  
The Certified Auditor Accountant

Fotis Smirnis  
SOEL Reg. No 52861

#### **IV. ANNUAL FINANCIAL STATEMENTS**

# HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.



## GROUP OF COMPANIES

ANNUAL FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)  
AS OF DECEMBER 31, 2020

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

(TRANSLATED FROM THE GREEK ORIGINAL)

The Annual Financial Statements presented on pages 97-173, were approved by the Board of Directors on February 25, 2021 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

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.  
REGISTRATION No 001037501000  
99, KIFISSIAS AVE-151 24 MAROUSSI ATHENS, GREECE

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STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		2020	2019	2020	2019
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	2,060.6	2,341.3	1,250.3	1,278.9
Right-of-use assets	5	362.1	418.6	235.5	270.4
Goodwill	6	376.6	376.6	-	-
Telecommunication licenses	7	361.0	383.6	2.5	2.8
Other intangible assets	8	408.0	367.9	282.3	208.9
Investments	9	0.1	0.1	3,083.8	3,319.4
Loans to pension funds	20	72.3	75.9	72.3	75.9
Deferred tax assets	22	364.0	280.3	185.4	97.4
Contract costs	26	24.6	42.9	5.5	4.5
Other non-current assets	10	75.7	91.7	72.4	74.0
<b>Total non-current assets</b>		<b>4,105.0</b>	<b>4,378.9</b>	<b>5,190.0</b>	<b>5,332.2</b>
<b>Current assets</b>					
Inventories	11	26.9	51.3	7.6	8.6
Trade receivables	12	433.1	592.5	250.4	282.3
Other financial assets	13	5.4	5.7	2.8	5.8
Contract assets	26	28.7	37.8	0.4	1.4
Other current assets	14	143.8	229.2	251.2	180.6
Restricted cash		2.3	2.3	-	-
Cash and cash equivalents	15	516.2	1,058.3	105.5	560.6
<b>Total current assets</b>		<b>1,156.4</b>	<b>1,977.1</b>	<b>617.9</b>	<b>1,039.3</b>
Assets of disposal group classified as held for sale	9	606.5	-	148.7	-
<b>TOTAL ASSETS</b>		<b>5,867.9</b>	<b>6,356.0</b>	<b>5,956.6</b>	<b>6,371.5</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Parent</b>					
Share capital	16	1,330.6	1,358.2	1,330.6	1,358.2
Share premium	16	476.4	486.6	476.4	486.6
Treasury shares	16	(132.2)	(110.3)	(132.2)	(110.3)
Statutory reserve	17	440.7	415.1	440.7	415.1
Foreign exchange and other reserves	17	(201.6)	(187.5)	(27.9)	(22.4)
Changes in non-controlling interests		(3,314.1)	(3,314.1)	-	-
Retained earnings	17	3,396.0	3,404.0	1,171.6	1,027.4
<b>Total equity attributable to owners of the Parent</b>		<b>1,995.8</b>	<b>2,052.0</b>	<b>3,259.2</b>	<b>3,154.6</b>
Non-controlling interests	9	144.0	131.1	-	-
<b>Total equity</b>		<b>2,139.8</b>	<b>2,183.1</b>	<b>3,259.2</b>	<b>3,154.6</b>
<b>Non-current liabilities</b>					
Long-term borrowings	19	974.8	996.4	894.1	892.5
Provision for staff retirement indemnities	20	145.7	186.7	120.1	152.3
Provision for youth account	20	109.2	121.4	109.2	121.4
Contract liabilities	26	25.4	38.4	44.1	51.1
Lease liabilities	5	290.6	334.5	195.3	227.9
Deferred tax liabilities	22	9.8	16.6	-	-
Other non-current liabilities	21	107.8	60.5	141.1	92.0
<b>Total non-current liabilities</b>		<b>1,663.3</b>	<b>1,754.5</b>	<b>1,503.9</b>	<b>1,537.2</b>
<b>Current liabilities</b>					
Trade accounts payable		719.8	936.0	371.5	425.0
Short-term borrowings	19	205.9	8.9	270.8	-
Short-term portion of long-term borrowings	19	23.1	707.5	-	743.8
Income tax payable	22	76.2	16.2	7.9	2.9
Contract liabilities	26	121.8	134.6	74.3	72.1
Lease liabilities	5	61.2	62.9	44.8	42.3
Provision for voluntary leave schemes	20	178.9	139.3	178.9	139.3
Dividends payable	18	2.2	1.5	2.1	1.4
Other current liabilities	23	364.5	411.5	243.2	252.9
<b>Total current liabilities</b>		<b>1,753.6</b>	<b>2,418.4</b>	<b>1,193.5</b>	<b>1,679.7</b>
Liabilities of disposal group classified as held for sale	9	311.2	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,867.9</b>	<b>6,356.0</b>	<b>5,956.6</b>	<b>6,371.5</b>

**INCOME STATEMENTS (CONSOLIDATED AND SEPARATE)**

(Amounts in millions of Euro except per share data)	Notes	GROUP		COMPANY	
		2020	2019	2020	2019
<b>Revenue</b>					
<b>Fixed business:</b>					
Retail services revenues		938.1	935.6	938.2	936.1
Wholesale services revenues		574.1	566.0	330.5	333.0
Other revenues		292.9	271.5	257.2	236.7
<b>Total revenues from fixed business</b>		<b>1,805.1</b>	<b>1,773.1</b>	<b>1,525.9</b>	<b>1,505.8</b>
<b>Mobile business:</b>					
Service revenues		1,138.8	1,203.6	-	-
Handset revenues		229.6	231.7	22.9	34.0
Other revenues		18.9	22.3	-	-
<b>Total revenues from mobile business</b>		<b>1,387.3</b>	<b>1,457.6</b>	<b>22.9</b>	<b>34.0</b>
<b>Miscellaneous other revenues</b>		<b>66.5</b>	<b>72.3</b>	<b>65.5</b>	<b>73.4</b>
<b>Total revenues</b>		<b>3,258.9</b>	<b>3,303.0</b>	<b>1,614.3</b>	<b>1,613.2</b>
<b>Other operating income</b>	24	<b>10.4</b>	<b>11.6</b>	<b>8.7</b>	<b>10.3</b>
<b>Operating expenses</b>					
Interconnection and roaming costs		(437.9)	(447.6)	(82.8)	(94.8)
Provision for expected credit losses	12	(78.1)	(84.1)	(27.5)	(30.1)
Personnel costs		(481.3)	(493.4)	(242.0)	(249.4)
Costs related to voluntary leave schemes	20	(132.6)	(55.3)	(117.8)	(49.9)
Commission costs		(77.8)	(76.8)	(24.2)	(23.9)
Merchandise costs		(305.5)	(312.5)	(78.7)	(83.2)
Maintenance and repairs		(68.7)	(61.5)	(36.5)	(36.1)
Marketing		(63.5)	(65.7)	(21.2)	(20.7)
Other operating expenses, out of which:		(459.3)	(456.5)	(342.5)	(327.8)
<i>Facility and other lease related costs</i>		(95.4)	(92.6)	(57.9)	(56.3)
<i>Third party fees and services</i>		(164.5)	(139.9)	(193.8)	(174.1)
<i>Other taxes and regulatory charges</i>		(64.2)	(62.2)	(23.2)	(23.2)
<i>Construction cost network</i>		(0.3)	(1.1)	-	-
<i>Other sundry operating expenses</i>		(134.9)	(160.7)	(67.6)	(74.2)
<b>Total operating expenses before depreciation, amortization and impairment</b>		<b>(2,104.7)</b>	<b>(2,053.4)</b>	<b>(973.2)</b>	<b>(915.9)</b>
<b>Operating profit before financial and investing activities, depreciation, amortization and impairment</b>		<b>1,164.6</b>	<b>1,261.2</b>	<b>649.8</b>	<b>707.6</b>
Depreciation, amortization and impairment	4,5,6,7,8,9	(833.2)	(804.5)	(363.0)	(365.5)
<b>Operating profit before financial and investing activities</b>		<b>331.4</b>	<b>456.7</b>	<b>286.8</b>	<b>342.1</b>
<b>Income and expense from financial and investing activities</b>					
Interest and related expenses		(56.2)	(92.8)	(47.6)	(75.8)
Interest income		1.7	2.8	2.2	5.3
Foreign exchange differences, net		(3.6)	15.1	(1.0)	1.1
Dividend income	9	-	-	331.0	1,159.2
Gains / (losses) from investments and other financial assets - Impairment	9,13	9.8	27.6	(90.4)	(725.4)
<b>Total profit / (loss) from financial and investing activities</b>		<b>(48.3)</b>	<b>(47.3)</b>	<b>194.2</b>	<b>364.4</b>
<b>Profit before tax</b>		<b>283.1</b>	<b>409.4</b>	<b>481.0</b>	<b>706.5</b>
Income tax	22	(45.9)	(92.3)	31.1	(71.5)
<b>Profit for the year from continuing operations</b>		<b>237.2</b>	<b>317.1</b>	<b>512.1</b>	<b>635.0</b>
Profit / (loss) from discontinued operations	9	138.5	(274.2)	-	-
<b>Profit for the year</b>		<b>375.7</b>	<b>42.9</b>	<b>512.1</b>	<b>635.0</b>
Attributable to:					
<b>Owners of the parent</b>					
<i>From continuing operations</i>		263.4	336.3	512.1	635.0
<i>From discontinued operations</i>		96.5	(131.2)	-	-
<b>Non-controlling interests</b>					
		15.8	(162.2)	-	-
<b>Profit for the year</b>		<b>375.7</b>	<b>42.9</b>	<b>512.1</b>	<b>635.0</b>
<b>Earnings per share attributable to owners of the parent from continuing operations</b>					
Basic earnings per share	25	0.5659	0.7070	-	-
Diluted earnings per share	25	0.5659	0.7070	-	-
<b>Total basic earnings per share attributable to owners of the parent</b>	25	<b>0.7732</b>	<b>0.4312</b>	<b>-</b>	<b>-</b>

## STATEMENTS OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		2020	2019	2020	2019
<b>Profit for the year</b>		<b>375.7</b>	<b>42.9</b>	<b>512.1</b>	<b>635.0</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Actuarial gains / (losses)	20	(10.0)	(14.0)	(7.3)	(12.0)
Deferred taxes on actuarial gains / (losses)		2.3	3.4	1.8	2.9
Deferred taxes on actuarial gains / (losses) due to change in tax rate		-	(0.4)	-	(0.3)
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(7.7)</b>	<b>(11.0)</b>	<b>(5.5)</b>	<b>(9.4)</b>
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation		(9.3)	(36.6)	-	-
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>(9.3)</b>	<b>(36.6)</b>	<b>-</b>	<b>-</b>
Reclassification of foreign currency translation reserve related to operations disposed		-	(22.9)	-	-
<b>Other comprehensive income / (loss) for the year</b>		<b>(17.0)</b>	<b>(70.5)</b>	<b>(5.5)</b>	<b>(9.4)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>358.7</b>	<b>(27.6)</b>	<b>506.6</b>	<b>625.6</b>
Attributable to:					
Owners of the parent		345.8	140.4	506.6	625.6
Non-controlling interests		12.9	(168.0)	-	-
		<b>358.7</b>	<b>(27.6)</b>	<b>506.6</b>	<b>625.6</b>
<b>Total comprehensive income attributable to owners of the parent arises from:</b>					
Continuing operations		251.8	281.0	506.6	625.6
Discontinued operations	9	94.0	(140.6)	-	-
		<b>345.8</b>	<b>140.4</b>	<b>506.6</b>	<b>625.6</b>

**STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)**

	Attributed to equity holders of the parent								Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings	Total		
(Amounts in millions of Euro)										
<b>Balance as at January 1, 2019</b>	<b>1,387.1</b>	<b>496.7</b>	<b>(108.5)</b>	<b>383.3</b>	<b>(122.8)</b>	<b>(3,314.1)</b>	<b>3,611.5</b>	<b>2,333.2</b>	<b>241.5</b>	<b>2,574.7</b>
<b>Impact of implementation of IFRS 16</b>	-	-	-	-	-	-	(3.3)	(3.3)	-	(3.3)
Profit / (loss) for the year	-	-	-	-	-	-	205.1	205.1	(162.2)	42.9
Other comprehensive income / (loss)	-	-	-	-	(64.7)	-	-	(64.7)	(5.8)	(70.5)
<b>Total comprehensive income / (loss)</b>	-	-	-	-	<b>(64.7)</b>	-	<b>205.1</b>	<b>140.4</b>	<b>(168.0)</b>	<b>(27.6)</b>
Cancellation of treasury shares	(28.9)	(10.4)	108.5	-	-	-	(69.2)	-	-	-
Subsidiary's share capital increase	-	-	-	-	-	-	(58.6)	(58.6)	58.6	-
Net change of participation in subsidiaries	-	-	-	-	-	-	(0.1)	(0.1)	(0.6)	(0.7)
Dividend distribution	-	-	-	-	-	-	(249.6)	(249.6)	(0.4)	(250.0)
Transfer to statutory reserve	-	-	-	31.8	-	-	(31.8)	-	-	-
Acquisition of treasury shares	-	-	(110.3)	-	-	-	-	(110.3)	-	(110.3)
Share option plans	-	0.3	-	-	-	-	-	0.3	-	0.3
<b>Balance as at December 31, 2019</b>	<b>1,358.2</b>	<b>486.6</b>	<b>(110.3)</b>	<b>415.1</b>	<b>(187.5)</b>	<b>(3,314.1)</b>	<b>3,404.0</b>	<b>2,052.0</b>	<b>131.1</b>	<b>2,183.1</b>
<b>Balance as at January 1, 2020</b>	<b>1,358.2</b>	<b>486.6</b>	<b>(110.3)</b>	<b>415.1</b>	<b>(187.5)</b>	<b>(3,314.1)</b>	<b>3,404.0</b>	<b>2,052.0</b>	<b>131.1</b>	<b>2,183.1</b>
Profit for the year	-	-	-	-	-	-	359.9	359.9	15.8	375.7
Other comprehensive income / (loss)	-	-	-	-	(14.1)	-	-	(14.1)	(2.9)	(17.0)
<b>Total comprehensive income / (loss)</b>	-	-	-	-	<b>(14.1)</b>	-	<b>359.9</b>	<b>345.8</b>	<b>12.9</b>	<b>358.7</b>
Cancellation of treasury shares (Note 16)	(27.6)	(10.0)	121.3	-	-	-	(83.7)	-	-	-
Dividend distribution (Note 18)	-	-	-	-	-	-	(258.6)	(258.6)	-	(258.6)
Transfer to statutory reserve (Note 17)	-	-	-	25.6	-	-	(25.6)	-	-	-
Acquisition of treasury shares (Note 16)	-	-	(143.2)	-	-	-	-	(143.2)	-	(143.2)
Share option plans	-	(0.2)	-	-	-	-	-	(0.2)	-	(0.2)
<b>Balance as at December 31, 2020</b>	<b>1,330.6</b>	<b>476.4</b>	<b>(132.2)</b>	<b>440.7</b>	<b>(201.6)</b>	<b>(3,314.1)</b>	<b>3,396.0</b>	<b>1,995.8</b>	<b>144.0</b>	<b>2,139.8</b>

**STATEMENT OF CHANGES IN EQUITY (SEPARATE)**

(Amounts in millions of Euro)	Share capital	Share premium	Treasury shares	Statutory reserve	Foreign exchange and other reserves	Retained earnings	Total equity
<b>Balance as at January 1, 2019</b>	<b>1,387.1</b>	<b>496.7</b>	<b>(108.5)</b>	<b>383.3</b>	<b>(13.0)</b>	<b>743.3</b>	<b>2,888.9</b>
<b>Impact of implementation of IFRS 16</b>	-	-	-	-	-	(0.3)	(0.3)
Profit for the year	-	-	-	-	-	635.0	635.0
Other comprehensive income / (loss)	-	-	-	-	(9.4)	-	(9.4)
<b>Total comprehensive income / (loss)</b>	-	-	-	-	<b>(9.4)</b>	<b>635.0</b>	<b>625.6</b>
Cancellation of treasury shares	(28.9)	(10.4)	108.5	-	-	(69.2)	-
Transfer to statutory reserve	-	-	-	31.8	-	(31.8)	-
Dividend distribution	-	-	-	-	-	(249.6)	(249.6)
Acquisition of treasury shares	-	-	(110.3)	-	-	-	(110.3)
Share option plans	-	0.3	-	-	-	-	0.3
<b>Balance as at December 31, 2019</b>	<b>1,358.2</b>	<b>486.6</b>	<b>(110.3)</b>	<b>415.1</b>	<b>(22.4)</b>	<b>1,027.4</b>	<b>3,154.6</b>
<b>Balance as at January 1, 2020</b>	<b>1,358.2</b>	<b>486.6</b>	<b>(110.3)</b>	<b>415.1</b>	<b>(22.4)</b>	<b>1,027.4</b>	<b>3,154.6</b>
Profit for the year	-	-	-	-	-	512.1	512.1
Other comprehensive income / (loss)	-	-	-	-	(5.5)	-	(5.5)
<b>Total comprehensive income / (loss)</b>	-	-	-	-	<b>(5.5)</b>	<b>512.1</b>	<b>506.6</b>
Cancellation of treasury shares (Note 16)	(27.6)	(10.0)	121.3	-	-	(83.7)	-
Transfer to statutory reserve (Note 17)	-	-	-	25.6	-	(25.6)	-
Dividend distribution (Note 18)	-	-	-	-	-	(258.6)	(258.6)
Acquisition of treasury shares (Note 16)	-	-	(143.2)	-	-	-	(143.2)
Share option plans	-	(0.2)	-	-	-	-	(0.2)
<b>Balance as at December 31, 2020</b>	<b>1,330.6</b>	<b>476.4</b>	<b>(132.2)</b>	<b>440.7</b>	<b>(27.9)</b>	<b>1,171.6</b>	<b>3,259.2</b>

**STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)**

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		2020	2019	2020	2019
<b>Cash flows from operating activities</b>					
Profit before tax		283.1	409.4	481.0	706.5
Adjustments for:					
Depreciation, amortization and impairment	4,5,6,7,8,9	833.2	804.5	363.0	365.5
Costs related to voluntary leave schemes	20	132.6	55.3	117.8	49.9
Provision for staff retirement indemnities	20	3.0	4.7	1.7	3.8
Provision for youth account	20	1.3	5.1	1.3	5.1
Foreign exchange differences, net		3.6	(15.1)	1.0	(1.1)
Interest income		(1.7)	(2.8)	(2.2)	(5.3)
Dividend income	9	-	-	(331.0)	(1,159.2)
(Gains) / losses from investments and other financial assets - Impairment	9,13	(9.8)	(27.6)	90.4	725.4
Interest and related expenses		56.2	92.8	47.6	75.8
Working capital adjustments:					
Decrease / (increase) in inventories		10.2	21.1	1.0	2.9
Decrease / (increase) in receivables		54.5	16.4	35.1	(4.9)
(Decrease) / increase in liabilities (except borrowings)		51.3	(27.3)	(29.9)	(8.1)
Plus / (Minus):					
Payment for voluntary leave schemes	20	(109.1)	(58.7)	(94.7)	(54.2)
Payment of staff retirement indemnities and youth account, net of employees' contributions	20	(12.4)	(12.7)	(11.6)	(12.3)
Interest and related expenses paid (except leases)		(46.7)	(73.9)	(43.7)	(61.1)
Interest paid for leases	5	(19.0)	(20.3)	(13.4)	(15.6)
Income tax paid		(88.2)	(145.6)	(74.6)	(100.9)
Net cash flows from operating activities of discontinued operations		105.8	127.5	-	-
<b>Net cash flows from operating activities</b>		<b>1,247.9</b>	<b>1,152.8</b>	<b>538.8</b>	<b>512.2</b>
<b>Cash flows from investing activities</b>					
Return of capital invested in subsidiary		-	-	0.4	120.6
Investment in subsidiaries	9	-	(0.7)	(4.0)	(800.0)
Sale or maturity of financial assets	13	0.3	0.1	-	-
Repayment of loans receivable	20	7.2	7.2	7.2	7.2
Loans granted to subsidiary	13	-	-	(6.0)	(270.0)
Repayment of loans granted to subsidiary	13	-	-	6.2	270.0
Purchase of property, plant and equipment and intangible assets		(667.8)	(546.7)	(338.9)	(343.5)
Proceeds from disposal of subsidiaries / investments		-	28.2	-	-
Movement in restricted cash		(0.1)	0.5	-	-
Interest received		1.7	2.0	2.2	4.6
Dividends received	28	-	-	260.7	1,078.6
Net cash flows from investing activities of discontinued operations		(71.4)	(121.2)	-	-
<b>Net cash flows from/ (used in) investing activities</b>		<b>(730.1)</b>	<b>(630.6)</b>	<b>(72.2)</b>	<b>67.5</b>
<b>Cash flows from financing activities</b>					
Acquisition of treasury shares	16	(142.3)	(110.3)	(142.3)	(110.3)
Proceeds from loans granted and issued	19	367.4	709.0	420.8	700.0
Repayment of loans	19	(874.3)	(826.1)	(894.6)	(610.7)
Lease repayments	5	(63.5)	(68.1)	(47.7)	(42.0)
Dividends paid to Company's owners	18	(257.9)	(249.0)	(257.9)	(249.0)
Net cash flows from financing activities of discontinued operations		(13.2)	(9.6)	-	-
<b>Net cash flows used in financing activities</b>		<b>(983.8)</b>	<b>(554.1)</b>	<b>(921.7)</b>	<b>(312.0)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(466.0)</b>	<b>(31.9)</b>	<b>(455.1)</b>	<b>267.7</b>
<b>Cash and cash equivalents, at the beginning of the year</b>		<b>1,058.3</b>	<b>1,084.7</b>	<b>560.6</b>	<b>292.9</b>
Net foreign exchange differences		(2.8)	(2.0)	-	-
Cash and cash equivalents of disposal group classified as held for sale		(73.3)	7.5	-	-
<b>Cash and cash equivalents, at the end of the year</b>	<b>15</b>	<b>516.2</b>	<b>1,058.3</b>	<b>105.5</b>	<b>560.6</b>

## 1. CORPORATE INFORMATION

Hellenic Telecommunications Organization S.A. (“Company”, “OTE” or “parent”), was incorporated as a société anonyme in Athens, Greece in 1949, and is listed in the Greek General Commercial Registry (Γ.Ε.ΜΗ.) with the unique number 001037501000. The registered office is located at 99 Kifissias Avenue – 151 24 Maroussi Athens, Greece, and the website is [www.cosmote.gr](http://www.cosmote.gr). The Company is listed on the Athens Exchange. Until September 19, 2010, OTE ADRs (American Depositary Receipts) were also listed on the New York Stock Exchange. Following OTE’s delisting from NYSE, OTE ADRs now trade in the US OTC (Over the Counter) market. OTE GDRs (Global Depositary Receipts) are also listed on the London Stock Exchange.

OTE’s principal activities are the provision of telecommunications and related services.

Effective from February 6, 2009, the financial statements are included in the consolidated financial statements of DEUTSCHE TELEKOM AG (full consolidation method), which has its registered office in Germany and as of December 31, 2020 holds a 46.9% interest in OTE (see Note 16).

The OTE Group (“Group”) includes other than the parent Company, all the entities which OTE controls directly or indirectly. The financial statements of the consolidated non-listed entities, which cumulatively represent more than 3.0% of the consolidated total revenues, or consolidated total assets, or consolidated total net profit excluding non-controlling interest, will be available, upon respective approvals, in the parent Company’s website, [https://www.cosmote.gr/cs/otegroup/en/oikonomikes\\_katastaseis\\_etairiwn\\_omilou.html](https://www.cosmote.gr/cs/otegroup/en/oikonomikes_katastaseis_etairiwn_omilou.html).

The Annual Consolidated and Separate Financial Statements (“financial statements”) as of December 31, 2020 and for the year then ended, were approved for issuance by the Board of Directors on February 25, 2021, and are subject to the final approval of OTE’s General Assembly.

The total numbers of Group and Company employees as of December 31, 2020 and 2019 is as follows:

	GROUP	COMPANY
December 31, 2020	16,291	7,211
December 31, 2019	17,697	7,870

Group number of employees includes 3,792 employees of TELEKOM ROMANIA as of December 31, 2020 (classified as held for sale). The relevant number of employees as of December 31, 2019 was 4,226.

Group number of employees also includes 637 employees (Company: 554 employees) who participated in voluntary leave schemes implemented in the year 2020 and will leave the Group in the first months of 2021.

The consolidated financial statements include the financial statements of OTE and the following subsidiaries which OTE controls directly or indirectly:

ENTITY NAME	LINE OF BUSINESS	COUNTRY	GROUP’S OWNERSHIP INTEREST	
			2020	2019
COSMOTE MOBILE TELECOMMUNICATIONS S.A. (“COSMOTE”)	Mobile telecommunications services	Greece	100.00%	100.00%
OTE INTERNATIONAL INVESTMENTS LTD	Investment holding entity	Cyprus	100.00%	100.00%
COSMO-ONE HELLAS MARKET SITE S.A. (“COSMO-ONE”)	E-commerce services	Greece	61.74%	61.74%
OTE PLC	Financing services	U.K.	100.00%	100.00%
OTESAT-MARITEL S.A. (“OTESAT-MARITEL”)	Satellite telecommunications services	Greece	94.08%	94.08%
COSMOTE TECHNICAL SERVICES S.A. (“CTS”, former “OTE PLUS”)	Technical support services	Greece	100.00%	100.00%
OTE ESTATE S.A. (“OTE ESTATE”)	Real estate	Greece	100.00%	100.00%
OTE INTERNATIONAL SOLUTIONS S.A. (“OTE GLOBE”)	Wholesale telephony services	Greece	100.00%	100.00%
OTE INSURANCE AGENCY S.A. (“OTE INSURANCE”)	Insurance brokerage services	Greece	100.00%	100.00%
OTE ACADEMY S.A. (“OTE ACADEMY”)	Training services	Greece	100.00%	100.00%
TELEKOM ROMANIA COMMUNICATIONS S.A. (“TELEKOM ROMANIA”)	Fixed and mobile telecommunications services	Romania	54.01%	54.01%
NEXTGEN COMMUNICATIONS SRL (“NEXTGEN”)	Telecommunications services	Romania	54.01%	54.01%

ENTITY NAME	LINE OF BUSINESS	COUNTRY	GROUP'S OWNERSHIP INTEREST	
			2020	2019
TELEKOM ROMANIA MOBILE COMMUNICATIONS S.A. ("TELEKOM ROMANIA MOBILE")	Mobile telecommunications services	Romania	86.20%	86.20%
GERMANOS S.A. ("GERMANOS")	Retail services	Greece	100.00%	100.00%
COSMOTE E-VALUE	Marketing services	Greece	100.00%	100.00%
MOBILBEEEP LTD	Retail services	Greece	100.00%	100.00%
COSMOTE TV PRODUCTIONS	TV productions and services	Greece	100.00%	100.00%
E-VALUE DEBTORS AWARENESS ONE PERSON LTD ("E-VALUE LTD")	Overdue accounts management	Greece	100.00%	100.00%
COSMOHOLDING INTERNATIONAL B.V.	Investment holding entity	Netherlands	100.00%	100.00%
E-VALUE INTERNATIONAL S.A.	Marketing services	Romania	100.00%	100.00%
OTE RURAL NORTH SPECIAL PURPOSE DEVELOPMENT AND MANAGEMENT OF BROADBAND INFRASTRUCTURE S.A. ("OTE RURAL NORTH")	Wholesale broadband and infrastructure services	Greece	100.00%	100.00%
OTE RURAL SOUTH SPECIAL PURPOSE DEVELOPMENT AND MANAGEMENT OF BROADBAND INFRASTRUCTURE S.A. ("OTE RURAL SOUTH")	Wholesale broadband and infrastructure services	Greece	100.00%	100.00%
COSMOTE PAYMENTS - ELECTRONIC MONEY SERVICES S.A. ("COSMOTE PAYMENTS")	Electronic money services	Greece	100.00%	100.00%
COSMOTE GLOBAL SOLUTIONS S.A.	ICT services	Belgium	100.00%	100.00%

#### AGREEMENT FOR THE SALE OF TELEKOM ROMANIA

On November 9, 2020 the Group announced that it has entered into an agreement to sell its 54.01% stake in TELEKOM ROMANIA to Orange Romania. The transaction will be executed through the sale of OTE's total ownership interest of 100.00% in OTE INTERNATIONAL INVESTMENTS LTD, which has a direct ownership interest of 54.01% in TELEKOM ROMANIA (see Note 9).

The agreed consideration amounts to Euro 497.0 for 100.00%, corresponding to Euro 268.4 for the Group's stake, on a debt-free, cash-free basis and is subject to customary adjustments at closing of the transaction, such as for net debt, working capital and pre-closing items.

The Group will retain ownership of TELEKOM ROMANIA MOBILE.

The transaction is subject to regulatory approvals and other conditions and is expected to be completed within the second half of 2021.

#### AGREEMENT FOR THE SPIN-OFF OF THE BUSINESS SECTORS CUSTOMER SERVICE, SHOPS AND TECHNICAL FIELD OPERATIONS

On December 4, 2020 the Extraordinary General Meetings of Shareholders of OTE and COSMOTE approved the Draft Demergers Agreement through spin-off of the business sectors of Customer Service, Shops and Technical Field Operations and their absorption by the Group's Subsidiaries COSMOTE E-VALUE, GERMANOS and CTS (former "OTE PLUS"), respectively.

The assets and liabilities of each OTE and COSMOTE sector, as they appear in the Sectors' Accounting Statements as of June 30, 2020, will be transferred to the relevant absorbing entity which will issue new shares for each absorbed sector. In effect, the demerged companies (OTE and COSMOTE) will receive new shares of the absorbing entities in exchange for the sectors they contribute.

The spin-off procedure has been completed on January 4, 2021 upon registration in the Greek General Commercial Registry (Γ.Ε.ΜΗ.).

Following the completion of the spin-off process, the shareholders' structure of the entities COSMOTE E-VALUE, GERMANOS and CTS (former "OTE PLUS") has changed, with no effect on the Group's ownership interest.



## 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 are presented in millions of Euro, except when otherwise indicated.

### Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenues and expenses and related disclosures of contingent assets and 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 goodwill, impairment of intangible assets, impairment of investments, reserve for staff retirement indemnities and youth account, recognition of revenues and expenses and income taxes. 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 discussed below:

### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash generating units to which the goodwill is allocated. Estimating the value in use requires the Group 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 6.

### 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. Group entities are subject to income taxes in various jurisdictions and significant management judgment is required in determining provision for income taxes. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which the Group and the Company operate, or unpredicted results from the final determination of each year’s liability by tax authorities. These changes could have a significant impact on the Group’s and 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 22.

### Deferred tax assets

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 Group and the Company have 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 22.

### Provision for expected credit losses of trade receivables and contract assets

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

The Group and the Company establish 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 and international 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 Note 12 and Note 30.

### Post retirement and other defined benefit plans

Staff Retirement Indemnities and Youth Account obligations are calculated at the discounted present value of the future retirement benefits and benefits to children of employees deemed to have accrued at year-end. Retirement and Youth Account obligations are calculated on the basis of financial and actuarial assumptions that require management to make assumptions regarding discount rates, pay increases, 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. The Staff Retirement Indemnities and Youth Account benefit obligations are not funded. Due to the long term nature of these defined benefit plans, these assumptions are subject to a significant degree of uncertainty. Further details are provided in Note 20.

### Estimating the useful life of non-financial assets

The Group and 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

The Group and the Company are currently involved in various claims and legal proceedings. Periodically, the Group and the Company review the status of each significant matter and assess 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 Group and the Company recognize 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 Group and the Company reassess 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 Group's or the Company's financial position and results of operations.

### Impairment of property, plant and equipment

The determination of impairment of property, plant and equipment involves the use of estimates that include, but are not limited to, the cause, timing and amount of the impairment. Impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the telecommunications industry, increased cost of capital, the future availability of financing, technological obsolescence, discontinuance of services, current replacement costs, prices paid in comparable transactions and other changes in circumstances that indicate an impairment exists. The recoverable amount is typically determined using a discounted cash flow method. The identification of impairment indicators, as well as the estimation of future cash flows and the determination of fair values for assets (or groups of assets) require management to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

### Determining the lease term of contracts with renewal and termination options – Accounting by lessee

The Group and the Company determine 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 Group and the Company have certain lease contracts that include extension and termination options and apply judgement in evaluating whether it is reasonably certain to exercise or not to exercise the option to renew or terminate the lease. All relevant factors that create an economic incentive to exercise either the renewal or termination are considered. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that are within their control and affect their 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 5.

### Leases - Estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, they use the 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 for a period of up to 36 years, 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.

**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, 2020.

### Standards and Interpretations effective for the current financial year

- **IFRS 3 (Amendment) “Definition of a business”:** The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. It further clarifies that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Finally, it introduces an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.
- **IAS 1 and IAS 8 (Amendments) “Definition of material”:** These amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRSs.
- **IFRS 9, IAS 39 and IFRS 7 (Amendments) “Interest rate benchmark reform”:** These amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

### 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 consolidated and separate financial statements. The Group is currently investigating the impact of the new standards and amendments on its financial statements.

- **IFRS 17 “Insurance contracts” and Amendments to IFRS 17** (effective for annual periods beginning on or after January 1, 2023): IFRS 17 has been issued in May 2017 and, along with the Amendments to IFRS 17 issued in June 2020, supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.
- **IFRS 16 (Amendment) “Covid-19-Related rent concessions”** (effective for annual periods beginning on or after June 1, 2020): The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.
- **IFRS 4 (Amendment) “Extension of the temporary exemption from applying IFRS 9”** (effective for annual periods beginning on or after January 1, 2021): The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 ‘Insurance Contracts’ from applying IFRS 9 ‘Financial Instruments’, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023.
- **IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) ‘Interest rate benchmark reform – Phase 2’** (effective for annual periods beginning on or after January 1, 2021): These amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.
- **IAS 16 (Amendment) “Property, plant and equipment – Proceeds before intended use”** (effective for annual periods beginning on or after January 1, 2022): The amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity’s ordinary activities. The amendment has not yet been endorsed by the EU.
- **IAS 37 (Amendment) “Onerous contracts – Cost of fulfilling a contract”** (effective for annual periods beginning on or after January 1, 2022): The amendment clarifies that ‘costs to fulfil a contract’ comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU.

- **IFRS 3 (Amendment) “Reference to the Conceptual Framework”** (effective for annual periods beginning on or after January 1, 2022): The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been endorsed by the EU.
- **IAS 1 (Amendment) “Classification of liabilities as current or non-current”** (effective for annual periods beginning on or after January 1, 2023): The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the financial position date. The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability. The amendment has not yet been endorsed by the EU.

#### **Annual Improvements to IFRSs 2018–2020** (effective for annual periods beginning on or after January 1, 2022):

The amendments set out below describe the key changes to certain IFRSs. The amendments have not yet been endorsed by the EU.

- **IFRS 9 “Financial instruments”**: The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.
- **IFRS 16 “Leases”**: The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied for the preparation of the financial statements are as follows:

#### **1. Basis of Consolidation and Investments**

##### **Subsidiaries**

The consolidated financial statements are comprised of the financial statements of the Company and all subsidiaries controlled by the Company directly or indirectly. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The financial statements of the subsidiaries are prepared as of the same reporting period as the parent company, using consistent accounting policies. All intercompany balances, transactions and any intercompany profit or loss are eliminated in the consolidated financial statements.

#### Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in change of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity. In the consolidated statement of financial position an amount of Euro 3,314.1 has been recognized at the acquisition date of non-controlling interest.

#### Disposal of subsidiaries

When the Group 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 Group 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 Group has significant influence are accounted for using the equity method of accounting. Under this method the investment is initially recognized at cost, and is adjusted to recognize the investor's share of the profit or loss after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognized in the income statement and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income.

Gains or losses from transactions with associates are eliminated to the extent of the interest in the associate. Dividends received from associates are eliminated against the carrying value of the investment. The associate's value is adjusted for any accumulated impairment loss. When the Group's share of losses exceeds the carrying amount of the investment, the carrying value of the investment is reduced to nil and recognition of further losses is discontinued, except to the extent the Group has created obligations or has made payments on behalf of the associate.

#### Transactions between companies under common control

Transactions between companies under common control are excluded from the scope of IFRS 3. Therefore the Group (implementing the guidance of IAS 8 "Accounting policies, changes in accounting estimates and errors" for similar cases) accounts for such transactions using a method like "predecessor accounting". Based on this principle, the Group consolidates the book values of the combined entities (without revaluation to fair values). The financial statements of the Group or the new entity after the transaction are prepared on the basis as if the new structure was in effect since the beginning of the first period which is presented in the financial statements and consequently the comparative figures are adjusted. The difference between the purchase price and the book value of the percentage of the net assets acquired is recognized directly in equity.

In the separate financial statements, investments in subsidiaries and associates are accounted for at cost adjusted for any impairment where necessary.

## 2. Foreign Currency Translation

OTE'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.

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). Assets and liabilities of entities that have a functional currency different from the presentation currency, including goodwill and the fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition, are translated into Euro using exchange rates ruling at the reporting date. Revenues and expenses are translated at rates prevailing at the date of the transaction. All resulting foreign exchange differences are recognized in other comprehensive income and are reclassified in the income statement on the disposal of the foreign operation.

### 3. Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and the acquisition date fair value of any previous equity interest held over the fair value of the identifiable net assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

### 4. 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 1 and 25 years.

### 5. 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 categories of intangible assets are as follows:

**Brand name:** Recognized on acquisition of GERMANOS group during 2006. The brand name was initially determined to have an indefinite useful life. During 2008, the useful life was reassessed and it was determined to be 15 years from the end of October 2008.

**Franchise agreements:** Recognized on acquisition of GERMANOS group. These agreements have a useful economic life of 20 years.

**Software:** The useful economic life is 1 to 10 years.

**TV broadcasting rights:** The useful economic life is 1 to 4 years.

**Concession rights:** 15 years and 18 years (see Note 3, paragraph 31).

### 6. 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, borrowing costs capitalized 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 Group recognizes such parts as individual assets with specific useful lives and depreciation.

Investment property consists of all property held to earn rentals or for capital appreciation and not used in the production or for administrative purposes. Investment property is measured using the cost model.

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 – building installations	1 - 50 years	2.0% – 100.0%
Telecommunication equipment and installations:		
Telecommunications line network	8 – 36 years	2.8% – 12.5%
Switching equipment	1 – 15 years	6.7% – 100.0%
Transmission equipment	3 – 15 years	6.7% – 33.3%
Broadband distribution network	5 – 9 years	11.1% – 20.0%
Radio equipment	1 – 19 years	5.3% – 100.0%
Other telecommunications equipment	1 – 15 years	6.7% – 100.0%
Miscellaneous other technical equipment and machinery	1 – 16 years	6.3% – 100.0%
Network buildings	10 – 18 years	5.6% – 10.0%
Transportation means	2 – 11 years	9.1% – 50.0%
Fixtures and furniture	1 – 16 years	6.3% – 100.0%

#### 7. Non-current Assets Held for Sale

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. Immediately before the initial classification of a non-current asset (or a disposal group) as held for sale, the asset (or the assets and liabilities included in the disposal group) is measured in accordance with the applicable IFRS. Non-current assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and any possible resulting impairment losses are recognized in the income statement. Any subsequent increase in fair value is recognized, but not in excess of the cumulative impairment loss which was previously recognized. While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale, it is not depreciated or amortized.

#### 8. Impairment of Non - Financial Assets (excluding goodwill)

The carrying values of the Group's or 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. 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 Group and the Company assess whether there is an indication that an impairment loss recognized in prior periods may no longer exist. If any such indication exists, the Group and the Company estimate 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.

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

With the exception of trade receivables, the Group 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 amortised 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 amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss.

The Group and the Company hold no assets at fair value through other comprehensive income as of December 31, 2020.

Financial assets at amortised 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 Group, 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 Group or the Company).

#### Impairment of financial assets

The Group and the Company assess 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 Group 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 Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date.

To measure the expected credit loss in relation to trade receivables, the Group has established a provision matrix relying on aging analysis, which is based on the Group'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 13.

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 Group'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 Group or 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 Group 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 Group or 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 Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group or the Company also recognize



an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group or 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 Group 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 amortised cost or 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 Group or 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.

### 10. Derivative Financial Instruments and Hedging Instruments

Derivative financial instruments include interest rate swaps, currency swaps and other derivative instruments.

#### Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value based on quoted market prices, if available, or based on valuation techniques such as discounted cash flows. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

For hedge accounting purposes, hedges are classified either as fair value hedges, where the exposure to changes in the fair value of a recognized asset or liability is being hedged, or as a cash flow hedge, where the exposure to variability in cash flows associated with a specifically identified risk which may be directly related to the recognized asset or liability is being hedged. When hedge accounting is applied, at the inception of the hedge there is formal documentation which includes identification of the hedging instrument, the hedged item, the hedging relationship, the nature of the risk being hedged and the risk strategy.

In a fair value hedge, the change in the fair value of a hedging instrument is recognized in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the income statement.

In a cash flow hedge, the effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income in a cash flow hedge reserve, while any ineffective portion is recognized immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

### 11. Financial Guarantee Contracts

Financial guarantee contracts issued by the Group or the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of the loss allowance determined in accordance with IFRS 9 "Financial Instruments" and the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15 "Revenue from contracts with customers".

### 12. 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.

### 13. Trade Receivables and Allowance for Expected Credit Losses

A receivable represents the Group's or 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.

### 14. Cash and Cash Equivalents - Restricted Cash

For purposes of the cash flow statement, time deposits are considered to be cash and cash equivalents. Restricted cash is cash not available for immediate use. Such cash cannot be used by a company until a certain point or event in the future. In cases when restricted cash is expected to be used within one year after the reporting date, it is classified as a current asset. However, if restricted cash is not expected to be used within one year after the reporting date, it is classified as a non-current asset. Restricted cash is not included in line "Cash and cash equivalents".

### 15. 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 in the countries where the Group operates and generates taxable income. 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 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 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.

### 16. Share Capital

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

## 17. Treasury Shares

Treasury shares consist of OTE's own equity shares, which are reacquired and not cancelled. Treasury shares do not reduce the number of shares issued but reduce the number of shares in circulation. Treasury shares are recognized at cost as a deduction from equity. Upon derecognition, the cost of the treasury share reduces the Share Capital and Share Premium and any difference is charged to Retained Earnings.

## 18. Leases

The Group 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 Group applies a single recognition and measurement approach for all leases (including short-term leases and leases of low-value assets). The Group recognizes 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 Group and the Company recognize 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 Group or 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 Group and the Company have lease contracts for land and buildings (used as offices, retail shops, network sites), telecom equipment and machinery, vehicles and other equipment used in their operations. The lease contracts may contain both lease and non-lease components. The Group 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 "8. Impairment of Non - Financial Assets (excluding goodwill)".

#### ii. Lease liabilities

At the commencement date of the lease, the Group and the Company recognize 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 Group or 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 Group and the Company use the Group'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 Group 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.

Several lease contracts for retail shops are subleased by the Group to third parties and most of them have been 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 Group's and the Company's leases are included in Note 5.

### 19. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they incur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 20. 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.

### 21. Provisions

Provisions are recognized when the Group or 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 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.

### 22. 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.

### 23. Employee Benefits

The Group operates various post-employment schemes including both defined contribution and defined benefit plans and other long-term benefit plans. For a description of the various plans refer to Note 20.

#### Defined Contribution Plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group 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.

#### Other long-term employee benefits

The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans with the exception of the actuarial gains and losses being recognized in the income statement. These obligations are valued annually by independent actuaries.

#### Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group 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.

#### 24. Marketing

All marketing costs are expensed as incurred.

#### 25. Research and Development Costs

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

#### 26. 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 Group or the Company expects to be entitled in exchange for those goods or services.

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

The Group recognises revenue from fixed and mobile network services over time because the customer simultaneously receives and consumes the benefits provided by the Group. Revenues from connection fees, which generally do not meet the criteria to be recognized as a separate performance obligation, are recognized over the contract period.

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 Group 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 Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is the Group'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 Group. 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 Group 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,
- subsidized installation fees which are treated as separate performance obligation and therefore, the Group allocated the total consideration to each performance obligation of the contract (in proportion to its stand-alone selling price),
- 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 Group 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 Group level refer to:

- sales commissions to third-party dealers (indirect distribution channel),
- sales commissions to employees (direct distribution channel) and
- costs incurred to fulfil performance obligations under a contract once it is obtained, but before transferring goods or services to the customer.

Amortizations of contract costs are respectively presented as operating expenses in the income statement, i.e. either as “commission costs”, “personnel costs” or “other sundry operating expenses”.

When customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). For the Group, contract liabilities are primarily the result of access fees charged to the customer in advance, unused airtime, contract liabilities from network Indefeasible Rights of Use (IRUs) and contract liabilities’ balances for connection fees. Some of the Group’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 Group 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.

## 27. Earnings per Share

Basic earnings per share are computed by dividing the profit for the year attributable to owners of the parent by the weighted average number of shares outstanding during each year. Diluted earnings per share are computed by dividing the profit for the year attributable to owners of the parent by the weighted average number of shares outstanding during the year adjusted for the impact of share-based payments.

## 28. Operating Segments

Operating segments are determined based on the Group’s legal structure and business activities, in line with the review performed by the Group’s chief operating decision makers. The reportable segments are determined using the quantitative thresholds required by IFRS 8. Information for operating segments that do not constitute reportable segments is combined and disclosed in the “Other” category. The accounting policies of the segments are the same with those followed for the preparation of the financial statements. Management evaluates segment performance based on (a) Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations, (b) operating profit / (loss) before financial and investing activities and (c) profit / (loss) for the year.

## 29. Dividend distribution

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

## 30. Share-Based Payment Transactions

Certain employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (“equity settled 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.

## 31. Service concession arrangements

The Group’s service concession arrangements relate to the assignment of the development and operation of public broadband networks (the “Concessions”) by a public sector entity (the “Grantor”). Each concession relates to a specified area in Greece and Romania and is undertaken by Group’s subsidiaries (the “Operator(s)”) which have been separately granted for each concessions. The Grantor specifies the services that can be offered by the Group and the pricing of those services is regulated. The Grantor also controls the broadband network infrastructure which must be returned to the Grantor at the end of the arrangement. The operating period in Greece and Romania is 15 and 18 years, respectively.

Under this arrangement the Group recognises an intangible asset and a financial asset.

#### Intangible asset

The intangible asset corresponds to the right granted by the Grantor to the Operator to charge the telecommunication providers for using the infrastructure. It is included within "Other intangible assets". Concession assets are capitalized on the basis of the cost of capital expenditure incurred in respect of the concession, net of subsidies received from the Grantor and including borrowing costs on qualifying capital expenditure. Subsequent to initial recognition, concession assets are measured at cost less accumulated amortization and impairment losses. Concession assets are amortized over their estimated useful life which is the concession period during which they are available for use.

#### Financial asset (Guaranteed receipt from Grantor)

The financial asset is recognized to the extent of an unconditional right to receive cash from or at the direction of the Grantor for the development of the infrastructure. Financial assets resulting from the concession are recorded in the consolidated statement of financial position under "Other current assets". Financial assets recognized as a result of the concession are measured at fair value upon initial recognition. Subsequent to initial recognition they are accounted for at amortized cost in accordance with IFRS 9 "Financial instruments".

#### Construction of the infrastructure

Revenues from construction contracts are recognized over time using the input method in accordance with IFRS 15 "Revenue from contracts with customers".

The Group measures the progress towards completion of the promised performance obligations on the basis of the percentage of total costs incurred at the reporting date.

The construction cost is recognized in the income statement under "Construction cost network" while the respective revenue is included in "Miscellaneous other revenues".

#### Operation services

After the construction period, revenue from the operation of the infrastructure is recognized in accordance with the relevant standards, depending on the nature of the good or service provided.

#### Contractual obligations to maintain and restore the infrastructure

After the construction period, the contractual obligations to maintain or restore the infrastructure is accounted for in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets".

### 32. Reclassifications

Certain reclassifications have been made to prior year balances to conform to current year classifications. In addition certain reclassifications have been made within the Notes for comparability purposes. These reclassifications did not have any impact on the Group's or the Company's equity or income statement. Further details of the nature of these reclassifications are disclosed in Note 31.

#### 4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is analyzed as follows:

GROUP	LAND	BUILDINGS	TELECOM EQUIPMENT	FIXTURES, FURNITURE & TRANSPORTATION	CONSTRUCTION IN PROGRESS	INVESTMENT SUPPLIES	TOTAL
<b>31/12/2018</b>							
Cost	43.2	956.2	12,659.2	502.2	318.0	79.2	14,558.0
Accumulated depreciation	-	(660.4)	(10,770.3)	(386.2)	-	-	(11,816.9)
<b>Net book value 31/12/2018</b>	<b>43.2</b>	<b>295.8</b>	<b>1,888.9</b>	<b>116.0</b>	<b>318.0</b>	<b>79.2</b>	<b>2,741.1</b>
Impact of IFRS 16 implementation - cost	-	-	(20.2)	-	(1.6)	-	(21.8)
Impact of IFRS 16 implementation- accumulated depreciation	-	-	11.0	-	-	-	11.0
Additions and transfers	0.1	7.4	391.8	20.1	266.1	60.6	746.1
Disposals and transfers - cost	(0.8)	(32.9)	(222.1)	(16.0)	(291.1)	(73.6)	(636.5)
Disposals and transfers - accumulated depreciation	-	30.4	222.1	15.9	-	-	268.4
Exchange differences - cost	(0.1)	(11.0)	(109.3)	(2.7)	(2.2)	(0.3)	(125.6)
Exchange differences - accumulated depreciation	-	9.7	108.8	2.6	-	-	121.1
Depreciation charge for the year - impairment	-	(29.3)	(686.4)	(34.4)	-	(12.4)	(762.5)
<b>Net book value 31/12/2019</b>	<b>42.4</b>	<b>270.1</b>	<b>1,584.6</b>	<b>101.5</b>	<b>289.2</b>	<b>53.5</b>	<b>2,341.3</b>
<b>31/12/2019</b>							
Cost	42.4	919.7	12,699.4	503.6	289.2	53.5	14,507.8
Accumulated depreciation	-	(649.6)	(11,114.8)	(402.1)	-	-	(12,166.5)
<b>Net book value 31/12/2019</b>	<b>42.4</b>	<b>270.1</b>	<b>1,584.6</b>	<b>101.5</b>	<b>289.2</b>	<b>53.5</b>	<b>2,341.3</b>
Additions and transfers	-	9.1	417.7	20.0	280.5	71.4	798.7
Disposals and transfers - cost	(0.5)	(55.8)	(1,189.9)	(18.6)	(360.0)	(66.3)	(1,691.1)
Disposals and transfers - accumulated depreciation	-	51.2	1,189.9	18.3	-	-	1,259.4
Transfers due to reversal of Purchase Price Allocation - TELEKOM ROMANIA	-	(90.8)	128.3	(37.5)	-	-	-
Exchange differences - cost	-	(7.0)	(77.3)	(1.6)	(1.3)	(0.4)	(87.6)
Exchange differences - accumulated depreciation	-	6.2	74.8	1.6	-	-	82.6
Depreciation charge for the year - impairment	(7.7)	(29.9)	(333.4)	(20.9)	-	(9.7)	(401.6)
Discontinued operations - cost	(2.0)	(346.2)	(3,448.2)	(83.4)	(42.6)	(11.8)	(3,934.2)
Discontinued operations - accumulated depreciation	-	305.1	3,311.1	76.9	-	-	3,693.1
<b>Net book value 31/12/2020</b>	<b>32.2</b>	<b>112.0</b>	<b>1,657.6</b>	<b>56.3</b>	<b>165.8</b>	<b>36.7</b>	<b>2,060.6</b>
<b>31/12/2020</b>							
Cost	39.9	666.5	10,898.0	438.5	165.8	36.7	12,245.4
Accumulated depreciation	(7.7)	(554.5)	(9,240.4)	(382.2)	-	-	(10,184.8)
<b>Net book value 31/12/2020</b>	<b>32.2</b>	<b>112.0</b>	<b>1,657.6</b>	<b>56.3</b>	<b>165.8</b>	<b>36.7</b>	<b>2,060.6</b>

In 2020, in line "Depreciation charge for the year - impairment" an amount of Euro 39.0 relates to discontinued operations, out of which Euro (10.4) relates to depreciation for the year and Euro 49.4 relates to reversal of impairment (see Note 9).

In 2019, in line "Depreciation charge for the year - impairment" an amount of Euro (346.1) relates to discontinued operations.



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

Following the agreement for the sale of TELEKOM ROMANIA an impairment test was performed for the TELEKOM ROMANIA MOBILE cash generating unit in order to reflect the current recoverable amount.

The impairment test took into consideration the operational separation of TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE as well as the repositioning of future synergies and the termination or change in significant commercial agreements between them. The key assumptions used in determining the value in use of this cash generating unit are described in Note 9.

As a result of the impairment test, an impairment loss on the property, plant and equipment of TELEKOM ROMANIA MOBILE amounting to Euro (50.0), was charged in the 2020 consolidated income statement and is included in the line "Depreciation, amortization and impairment".

Property, plant and equipment includes investment property of Euro 33.2 as of December 31, 2020 (December 31, 2019: Euro 53.1 out of which Euro 19.9 relates to discontinued operations), the fair value of which amounts to Euro 222.0 (December 31, 2019: Euro 253.8 out of which Euro 47.9 relates to discontinued operations). The fair value of the investment property is based on valuation methods and assumptions which, to a significant extent, are not based on observable market data (Level 3 of IFRS 13 - Fair Value hierarchy).

Borrowing costs capitalized during the year ended December 31, 2020 and 2019 by the Group as part of the cost of qualifying assets amount to Euro 3.5 and Euro 4.1, respectively. The amounts were calculated based on an average rate of capitalization which was 2.1% and 3.2% for the year ended December 31, 2020 and 2019, respectively.

COMPANY	BUILDINGS	TELECOM EQUIPMENT	FIXTURES, FURNITURE & TRANSPORTATION	CONSTRUCTION IN PROGRESS	INVESTMENT SUPPLIES	TOTAL
<b>31/12/2018</b>						
Cost	110.7	7,958.2	126.4	155.1	66.5	8,416.9
Accumulated depreciation	(75.9)	(6,947.5)	(97.1)	-	-	(7,120.5)
<b>Net book value 31/12/2018</b>	<b>34.8</b>	<b>1,010.7</b>	<b>29.3</b>	<b>155.1</b>	<b>66.5</b>	<b>1,296.4</b>
Impact of IFRS 16 implementation - cost	-	-	-	(1.6)	-	(1.6)
Additions and transfers	1.1	201.0	6.6	107.2	47.9	363.8
Disposals and transfers - cost	-	(147.4)	(1.3)	(134.4)	(58.4)	(341.5)
Disposals and transfers - accumulated depreciation	-	147.4	1.2	-	-	148.6
Depreciation charge for the year - impairment	(5.1)	(162.9)	(6.4)	-	(12.4)	(186.8)
<b>Net book value 31/12/2019</b>	<b>30.8</b>	<b>1,048.8</b>	<b>29.4</b>	<b>126.3</b>	<b>43.6</b>	<b>1,278.9</b>
<b>31/12/2019</b>						
Cost	111.8	8,011.8	131.7	126.3	43.6	8,425.2
Accumulated depreciation	(81.0)	(6,963.0)	(102.3)	-	-	(7,146.3)
<b>Net book value 31/12/2019</b>	<b>30.8</b>	<b>1,048.8</b>	<b>29.4</b>	<b>126.3</b>	<b>43.6</b>	<b>1,278.9</b>
Additions and transfers	3.6	206.2	5.0	103.6	54.8	373.2
Disposals and transfers - cost	(0.1)	(1,019.2)	(3.7)	(164.1)	(52.0)	(1,239.1)
Disposals and transfers - accumulated depreciation	0.1	1,019.2	3.7	-	-	1,023.0
Depreciation charge for the year - impairment	(4.6)	(164.7)	(6.7)	-	(9.7)	(185.7)
<b>Net book value 31/12/2020</b>	<b>29.8</b>	<b>1,090.3</b>	<b>27.7</b>	<b>65.8</b>	<b>36.7</b>	<b>1,250.3</b>
<b>31/12/2020</b>						
Cost	115.3	7,198.8	133.0	65.8	36.7	7,549.6
Accumulated depreciation	(85.5)	(6,108.5)	(105.3)	-	-	(6,299.3)
<b>Net book value 31/12/2020</b>	<b>29.8</b>	<b>1,090.3</b>	<b>27.7</b>	<b>65.8</b>	<b>36.7</b>	<b>1,250.3</b>

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

Borrowing costs capitalized during the year ended December 31, 2020 and 2019 by OTE as part of the cost of qualifying assets amount to Euro 3.5 and Euro 4.1, respectively. The amounts were calculated based on an average rate of capitalization which was 2.1% and 3.2% for the year ended December 31, 2020 and 2019, respectively.

## 5. LEASES

Right-of-use assets are analyzed as follows:

GROUP	LAND AND BUILDINGS	TELECOM EQUIPMENT AND MACHINERY	TRANSPORTATION AND OTHER EQUIPMENT	TOTAL
<b>1/1/2019</b>				
Impact of IFRS 16 implementation - cost	357.2	74.6	28.2	460.0
<b>Net book value 1/1/2019</b>	<b>357.2</b>	<b>74.6</b>	<b>28.2</b>	<b>460.0</b>
Additions	41.5	5.9	12.5	59.9
Reductions - cost	(4.1)	(8.9)	(2.4)	(15.4)
Reductions - accumulated depreciation	0.4	0.3	1.1	1.8
Exchange differences - cost	(2.2)	(0.4)	(0.1)	(2.7)
Exchange differences - accumulated depreciation	0.2	-	-	0.2
Depreciation charge for the year	(63.3)	(9.4)	(12.5)	(85.2)
<b>Net book value 31/12/2019</b>	<b>329.7</b>	<b>62.1</b>	<b>26.8</b>	<b>418.6</b>
<b>31/12/2019</b>				
Cost	392.4	71.2	38.2	501.8
Accumulated depreciation	(62.7)	(9.1)	(11.4)	(83.2)
<b>Net book value 31/12/2019</b>	<b>329.7</b>	<b>62.1</b>	<b>26.8</b>	<b>418.6</b>
Additions	48.2	13.3	6.9	68.4
Reductions - cost	(11.5)	(0.8)	(1.9)	(14.2)
Reductions - accumulated depreciation	2.9	0.2	0.7	3.8
Exchange differences - cost	(1.7)	(0.2)	(0.3)	(2.2)
Exchange differences - accumulated depreciation	0.6	0.1	0.1	0.8
Depreciation charge for the year	(56.3)	(8.9)	(11.3)	(76.5)
Discontinued operations - cost	(27.3)	(17.2)	(10.5)	(55.0)
Discontinued operations - accumulated depreciation	10.9	3.0	4.5	18.4
<b>Net book value 31/12/2020</b>	<b>295.5</b>	<b>51.6</b>	<b>15.0</b>	<b>362.1</b>
<b>31/12/2020</b>				
Cost	400.1	66.3	32.4	498.8
Accumulated depreciation	(104.6)	(14.7)	(17.4)	(136.7)
<b>Net book value 31/12/2020</b>	<b>295.5</b>	<b>51.6</b>	<b>15.0</b>	<b>362.1</b>

In the line "Depreciation charge for the year" an amount of Euro (8.4) and Euro (12.3) relates to discontinued operations for the years 2020 and 2019, respectively (see Note 9).

COMPANY	LAND AND BUILDINGS	TELECOM EQUIPMENT AND MACHINERY	TRANSPORTATION AND OTHER EQUIPMENT	TOTAL
<b>1/1/2019</b>				
Impact of IFRS 16 implementation - cost	273.5	12.2	16.3	302.0
<b>Net book value 1/1/2019</b>	<b>273.5</b>	<b>12.2</b>	<b>16.3</b>	<b>302.0</b>
Additions	5.8	4.5	6.4	16.7
Reductions - cost	(0.1)	-	(0.9)	(1.0)
Reductions - accumulated depreciation	-	-	0.5	0.5
Depreciation charge for the year	(37.2)	(4.1)	(6.5)	(47.8)
<b>Net book value 31/12/2019</b>	<b>242.0</b>	<b>12.6</b>	<b>15.8</b>	<b>270.4</b>
<b>31/12/2019</b>				
Cost	279.2	16.7	21.8	317.7
Accumulated depreciation	(37.2)	(4.1)	(6.0)	(47.3)
<b>Net book value 31/12/2019</b>	<b>242.0</b>	<b>12.6</b>	<b>15.8</b>	<b>270.4</b>
Additions	14.0	2.6	1.5	18.1
Reductions - cost	(5.4)	(0.1)	(0.5)	(6.0)
Reductions - accumulated depreciation	0.7	0.1	0.2	1.0
Depreciation charge for the year	(37.7)	(4.4)	(5.9)	(48.0)
<b>Net book value 31/12/2020</b>	<b>213.6</b>	<b>10.8</b>	<b>11.1</b>	<b>235.5</b>
<b>31/12/2020</b>				
Cost	287.8	19.2	22.8	329.8
Accumulated depreciation	(74.2)	(8.4)	(11.7)	(94.3)
<b>Net book value 31/12/2020</b>	<b>213.6</b>	<b>10.8</b>	<b>11.1</b>	<b>235.5</b>

The Company's depreciation includes depreciation charge for the right-of-use assets in relation to lease agreements with related parties amounting to Euro 35.3 (2019: Euro 34.9).

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

	GROUP		COMPANY	
	2020	2019	2020	2019
Lease liabilities (short-term portion)	61.2	62.9	44.8	42.3
Lease liabilities (long-term portion)	290.6	334.5	195.3	227.9
<b>Total lease liabilities</b>	<b>351.8</b>	<b>397.4</b>	<b>240.1</b>	<b>270.2</b>

The Group's and the Company's interest expense on lease liabilities amounts to Euro 19.0 (2019: Euro 20.3) and Euro 13.4 (2019: Euro 15.6), respectively. The Company's interest expense includes interest expense on lease liabilities to related parties amounting to Euro 11.9 (2019: Euro 13.7).

The Group's and the Company's total cash outflows for leases in 2020 amount to Euro 82.5 (2019: Euro 88.4) and Euro 61.1 (2019: Euro 57.6), respectively.

The maturity analysis of lease liabilities is analyzed in Note 30.

The Group and the Company have 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.

In the case of the Group's offices the period covered by a termination option is included as part of the lease term of the Group since the current consideration of all relative facts and circumstances led to the assessment of not exercising the termination option. If the Group's termination option in Group's offices was considered to be exercised at the date of initial application of the standard, lease liabilities and right-of-use assets as at December 31, 2020 would have been lower by an amount of approximately Euro 100.0.

### Subleases

There are several sublease arrangements, where the Group acts as intermediate lessor and these agreements have been classified as finance leases. For these subleases, the right-of-use assets derecognized during 2020, amounted to Euro 3.1 (2019: Euro 2.5) and have respectively decreased amounts included in the line "Additions" of land and buildings, in the Group's right-of-use assets analysis above.

The short-term portion of finance lease receivables for the Group and the Company is included in the line "Other current assets", while the long-term portion, is included in the line "Other non-current assets".

Lease receivables are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Lease receivables (short-term portion)	3.4	2.5	0.1	-
Lease receivables (long-term portion)	14.0	13.8	0.2	-
<b>Total lease receivables</b>	<b>17.4</b>	<b>16.3</b>	<b>0.3</b>	<b>-</b>

Interest revenue on lease receivables amounts to Euro 0.9 for the Group (2019: Euro 1.0) and Euro nil for the Company (2019: Euro nil).

## 6. GOODWILL

Goodwill is analyzed as follows:

GROUP	2020	2019
<b>Carrying value January 1</b>	<b>376.6</b>	<b>446.9</b>
Foreign exchange differences	-	(0.9)
Impairment	-	(69.4)
<b>Carrying value December 31</b>	<b>376.6</b>	<b>376.6</b>

Following the impairment recognized in 2019 of the goodwill allocated to the mobile operations of the Group in Romania, goodwill in 2020 only relates to the mobile telecommunication business of the Group in Greece, defined as the cash generating unit (COSMOTE Group - Greece) for which impairment testing is performed.

The recoverable amount of the cash generating unit COSMOTE Group - Greece is determined using the value in use method. The value in use is determined based on the projected cash flows derived from four years updated plan approved by management, with these cash flows initially projected over ten years and then to perpetuity.

The ten years' planning horizon selected, reflects the assumptions for short- to medium-term market developments and is selected to achieve a steady state in the business outlook that is necessary for calculating the perpetual annuity. This steady state can only be established based on this planning horizon, in particular due to long investment cycles in the telecommunication industry and the investments planned and expected in the long run to acquire and extend the rights of spectrum use.

For the projection of cash flows beyond a ten years period, a growth rate of 2% was assumed.

The key assumptions used by management in projecting cash flows as part of the impairment test of goodwill are the following:

- Risk-free rate: The risk free rate was determined on the basis of external figures derived from the relevant active market of the country.
- Budgeted profit margin: Budgeted operating profit before financial and investing activities and operating profit before financial and investing activities, depreciation, amortization and impairment were based on actual historical experience from the last few years adjusted to take into consideration expected variances in operating profitability.

The basic assumptions used are consistent with independent external sources of information.

The basic assumptions used in determining the value in use of the COSMOTE Group- Greece, taking also into consideration the current market conditions, are as follows:

Assumptions	2020	2019
Discount rate, weighted average	6.2%	6.2%
Average rate of revenue increase	0.7%	0.2%
Operating profit before financial and investing activities, depreciation, amortization and impairment, margin (10 years' range)	40.2% - 43.4%	39.9% - 42.8%

Based on the result of the impairment test as of December 31, 2020, no impairment losses were identified in the recorded amount of goodwill for COSMOTE Group - Greece.

As of December 31, 2020, the recoverable amount for this cash generating unit when compared to the respective carrying value indicates that significant headroom exists and any material change in the assumptions used would not result in the reduction of the carrying value of goodwill.

If the growth rate for the projection of cash flows beyond ten years period assumed in the impairment test was 0.5% lower, the recoverable amount for this cash generating unit when compared to the respective carrying value, would indicate that significant headroom exists. If the discount rate assumed in the impairment test was 1.0% higher, the recoverable amount for this cash generating unit when compared to the respective carrying value, would indicate that significant headroom exists.

## 7. TELECOMMUNICATION LICENSES

Telecommunication licenses comprise of licenses acquired primarily for the Group's mobile operations.

The movement of telecommunication licenses is as follows:

GROUP	2020	2019
<b><u>December 31</u></b>		
Cost	973.4	965.5
Accumulated amortization	(589.8)	(517.0)
<b>Net book value December 31</b>	<b>383.6</b>	<b>448.5</b>
Additions	125.5	-
Other movements, cost	9.2	16.8
Other movements, accumulated amortization	-	(12.0)
Exchange differences, cost	(6.5)	(8.9)
Exchange differences, accumulated amortization	4.2	5.3
Amortization charge for the year - impairment	(146.9)	(66.1)
Write-offs, cost	(5.6)	-
Write-offs, accumulated amortization	5.6	-
Discontinued operations - cost	(69.7)	-
Discontinued operations - accumulated amortization	61.6	-
<b>Net book value December 31</b>	<b>361.0</b>	<b>383.6</b>
<b><u>December 31</u></b>		
Cost	1,026.3	973.4
Accumulated amortization	(665.3)	(589.8)
<b>Net book value December 31</b>	<b>361.0</b>	<b>383.6</b>

In 2020, in the line "Amortization charge for the year - impairment" an amount of Euro (1.8), relates to discontinued operations, out of which Euro (2.4) relates to amortization for the year and Euro 0.6 relates to reversal of impairment (see Note 9). In 2019, in the line "Amortization charge for the year - impairment" an amount of Euro (10.9), relates to discontinued operations.

On December 16, 2020, Hellenic Telecommunications and Post Committee ("HTPC") completed the tender process for the granting of spectrum usage rights in the 700 MHz, 2 GHz, 3400-3800 MHz and 26 GHz frequency bands. As a result of the

process, COSMOTE renewed and was granted blocks in the above frequencies for a total consideration of Euro 123.0 which allow it to provide 5G services. The rights of use of the above radio frequencies have a duration of fifteen years with the possibility of renewal for another five years for an additional consideration.

As a result of the impairment test performed in TELEKOM ROMANIA MOBILE, an impairment loss amounting to Euro (106.5), was charged in the 2020 consolidated income statement and is included in the line "Depreciation, amortization and impairment". The key assumptions used in determining the value in use of this cash generating unit are described in Note 9.

COMPANY	2020	2019
<b><u>December 31</u></b>		
Cost	12.6	12.6
Accumulated amortization	(9.8)	(9.0)
<b>Net book value December 31</b>	<b>2.8</b>	<b>3.6</b>
Additions	0.5	-
Amortization charge for the year	(0.8)	(0.8)
<b>Net book value December 31</b>	<b>2.5</b>	<b>2.8</b>
<b><u>December 31</u></b>		
Cost	13.1	12.6
Accumulated amortization	(10.6)	(9.8)
<b>Net book value December 31</b>	<b>2.5</b>	<b>2.8</b>

## 8. OTHER INTANGIBLE ASSETS

Other intangible assets are analyzed as follows:

GROUP	SOFTWARE	TV RIGHTS	BRAND NAME	OTHER	TOTAL
<b>31/12/2018</b>					
Cost	1,029.1	407.6	314.7	155.8	1,907.2
Accumulated amortization	(887.2)	(247.6)	(213.3)	(126.9)	(1,475.0)
<b>Net book value 31/12/2018</b>	<b>141.9</b>	<b>160.0</b>	<b>101.4</b>	<b>28.9</b>	<b>432.2</b>
Additions	83.4	88.1	-	0.2	171.7
Disposals and write-offs, cost	(47.2)	(29.5)	-	(22.4)	(99.1)
Disposals and write-offs, accumulated amortization	47.2	29.5	-	22.4	99.1
Other movements, cost	(11.5)	0.5	-	-	(11.0)
Exchange differences, cost	(2.8)	(2.8)	-	(0.5)	(6.1)
Exchange differences, accumulated amortization	2.6	2.4	-	0.5	5.5
Amortization charge for the year - impairment	(78.3)	(121.6)	(21.0)	(3.5)	(224.4)
<b>Net book value 31/12/2019</b>	<b>135.3</b>	<b>126.6</b>	<b>80.4</b>	<b>25.6</b>	<b>367.9</b>
Cost	1,051.0	463.9	314.7	133.1	1,962.7
Accumulated amortization	(915.7)	(337.3)	(234.3)	(107.5)	(1,594.8)
<b>Net book value 31/12/2019</b>	<b>135.3</b>	<b>126.6</b>	<b>80.4</b>	<b>25.6</b>	<b>367.9</b>
Additions	81.1	169.2	-	0.5	250.8
Disposals and write-offs, cost	(3.2)	(66.1)	-	-	(69.3)
Disposals and write-offs, accumulated amortization	3.2	66.1	-	-	69.3
Other movements, cost	6.0	-	-	-	6.0
Other movements, accumulated amortization	(6.0)	-	-	-	(6.0)
Exchange differences, cost	(1.6)	(2.3)	-	-	(3.9)
Exchange differences, accumulated amortization	1.5	2.2	-	-	3.7
Amortization charge for the year - impairment	(68.4)	(94.1)	(21.0)	(3.6)	(187.1)
Discontinued operations, cost	(65.0)	(143.3)	-	(8.8)	(217.1)
Discontinued operations, accumulated amortization	61.5	123.4	-	8.8	193.7
<b>Net book value 31/12/2020</b>	<b>144.4</b>	<b>181.7</b>	<b>59.4</b>	<b>22.5</b>	<b>408.0</b>
Cost	1,068.3	421.4	314.7	124.8	1,929.2
Accumulated amortization	(923.9)	(239.7)	(255.3)	(102.3)	(1,521.2)
<b>Net book value 31/12/2020</b>	<b>144.4</b>	<b>181.7</b>	<b>59.4</b>	<b>22.5</b>	<b>408.0</b>

In the line "Amortization charge for the year - impairment" an amount of Euro (7.7) and Euro (33.8) relates to discontinued operations for the years 2020 and 2019, respectively (see Note 9).

As a result of the impairment test performed in TELEKOM ROMANIA MOBILE, an impairment loss amounting to Euro (3.5), was charged in the 2020 consolidated income statement and is included in the line "Depreciation, amortization and impairment". The key assumptions used in determining the value in use of this cash generating unit are described in Note 9.

COMPANY	SOFTWARE	TV RIGHTS	TOTAL
<b>31/12/2018</b>			
Cost	448.8	298.1	746.9
Accumulated amortization	(366.6)	(155.8)	(522.4)
<b>Net book value 31/12/2018</b>	<b>82.2</b>	<b>142.3</b>	<b>224.5</b>
Additions	39.7	74.8	114.5
Disposals and write-offs, cost	-	(29.5)	(29.5)
Disposals and write-offs, accumulated amortization	-	29.5	29.5
Amortization charge for the year	(37.5)	(92.6)	(130.1)
<b>Net book value 31/12/2019</b>	<b>84.4</b>	<b>124.5</b>	<b>208.9</b>
<b>31/12/2019</b>			
Cost	488.5	343.4	831.9
Accumulated amortization	(404.1)	(218.9)	(623.0)
<b>Net book value 31/12/2019</b>	<b>84.4</b>	<b>124.5</b>	<b>208.9</b>
Additions	57.7	144.2	201.9
Disposals and write-offs, cost	-	(66.1)	(66.1)
Disposals and write-offs, accumulated amortization	-	66.1	66.1
Amortization charge for the year	(41.5)	(87.0)	(128.5)
<b>Net book value 31/12/2020</b>	<b>100.6</b>	<b>181.7</b>	<b>282.3</b>
Cost	546.2	421.5	967.7
Accumulated amortization	(445.6)	(239.8)	(685.4)
<b>Net book value 31/12/2020</b>	<b>100.6</b>	<b>181.7</b>	<b>282.3</b>

There are no intangible assets with indefinite useful life as of December 31, 2020 and 2019.

In December 2020, following the conclusion of the three years' renewal agreement with UEFA, the Company has acquired until 2024 the television broadcasting rights for all UEFA European club football leagues. The acquisition of these content rights is included in the line "additions" of the "TV Rights" category in the above table and has respectively increased the line on the separate and consolidated Statements of financial position "Other non-current liabilities" (see Note 21).

#### TV PRODUCTIONS ELIGIBLE FOR GOVERNMENT GRANTS

By the decision No. 19563/2018/11-01-2019 of the Minister of Digital Policy, Telecommunications and Media (in relation to Chapter D of law 4487/2017), the investment plan titled "ETEROS EGO - S2" was approved, as eligible for government grant. The total budget of the eligible expenditure (after the submitted amendment) amounts to Euro 1,063,500 (absolute amount).

By the decision No. 24975/2020/10-9-2020 of the Minister of State (in relation to Chapter D of law 4487/2017), the investment plan titled "42 C" was approved, as eligible for government grant. The total budget of the eligible expenditure amounts to Euro 1,056,000 (absolute amount).

By the decision No. 33833/2020/01-12-2020 of the Ministry of Government Discrimination (in relation to Chapter D of law 4487/2017), the investment plan titled "EPICHIRISSI "ERMIS": I MACHI TIS KRITIS" was approved, as eligible for government grant. The total budget of the eligible expenditure amounts to Euro 104,000 (absolute amount).

The government grants to 35% of the total eligible expenditure budget, amounting to Euro 372,225 (absolute amount) for the investment plan titled "ETEROS EGO - S2" and Euro 369,600 (absolute amount) for the investment plan titled "42 C" and grants to 40% of the total eligible expenditure budget, amounting to Euro 41,600 (absolute amount) for the investment plan titled "EPICHIRISSI "ERMIS" : I MACHI TIS KRITIS".

The amount of the government grants will be fully determined after the materialization of the investment plans and the completion of the audit of the investment plans.



## 9. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
(a) Investments in subsidiaries	-	-	3,083.7	3,319.3
(b) Other investments	0.1	0.1	0.1	0.1
<b>TOTAL</b>	<b>0.1</b>	<b>0.1</b>	<b>3,083.8</b>	<b>3,319.4</b>

(a) Investments in subsidiaries are analyzed as follows:

COMPANY	OTE's direct ownership interest	Country of incorporation	2020	2019
COSMOTE	100.00%	Greece	2,763.4	2,763.5
COSMOTE PAYMENTS	100.00%	Greece	4.4	0.4
OTE INTERNATIONAL INVESTMENTS LTD	100.00%	Cyprus	-	149.1
COSMOTE TV PRODUCTIONS	100.00%	Greece	3.8	3.8
COSMO-ONE	30.87%	Greece	0.5	0.5
OTE SAT- MARITEL	94.08%	Greece	4.6	4.6
OTE PLC	100.00%	U.K.	0.1	0.1
CTS (former "OTE PLUS")	100.00%	Greece	8.2	8.2
OTE ESTATE	100.00%	Greece	72.6	72.6
OTE GLOBE	100.00%	Greece	102.2	102.2
OTE INSURANCE	100.00%	Greece	0.1	0.1
OTE ACADEMY	100.00%	Greece	0.2	0.2
OTE RURAL NORTH	100.00%	Greece	1.8	1.8
OTE RURAL SOUTH	100.00%	Greece	2.2	2.2
TELEKOM ROMANIA MOBILE	70.00%	Romania	119.6	210.0
<b>TOTAL</b>			<b>3,083.7</b>	<b>3,319.3</b>

The acquisition cost and the accumulated impairment losses consisting the carrying value of the Company's investments in subsidiaries as of December 31, 2020 are as follows:

COMPANY	Acquisition cost	Accumulated impairment losses	Carrying value 2020
COSMOTE	3,516.0	(752.6)	2,763.4
COSMOTE PAYMENTS	4.4	-	4.4
COSMOTE TV PRODUCTIONS	3.8	-	3.8
COSMO-ONE	3.2	(2.7)	0.5
OTESAT-MARITEL	5.1	(0.5)	4.6
OTE PLC	0.1	-	0.1
CTS (former "OTE PLUS")	8.2	-	8.2
OTE ESTATE	188.7	(116.1)	72.6
OTE GLOBE	102.2	-	102.2
OTE INSURANCE	0.1	-	0.1
OTE ACADEMY	9.4	(9.2)	0.2
OTE RURAL NORTH	1.8	-	1.8
OTE RURAL SOUTH	2.2	-	2.2
TELEKOM ROMANIA MOBILE	800.0	(680.4)	119.6
<b>TOTAL</b>	<b>4,645.2</b>	<b>(1,561.5)</b>	<b>3,083.7</b>

The movement of investments in subsidiaries is as follows:

COMPANY	2020
<b>Carrying value January 1</b>	<b>3,319.3</b>
Subsidiaries' share option plans (COSMOTE)	(0.1)
Participation in subsidiary (COSMOTE PAYMENTS)	4.0
Impairment of the value of Company's investment in subsidiary (TELEKOM ROMANIA MOBILE)	(90.4)
Return of capital invested in subsidiary (OTE INTERNATIONAL INVESTMENTS LTD)	(0.4)
Transfer to "Assets of disposal group classified as held for sale" (see section below "Company's investment in OTE INTERNATIONAL INVESTMENTS LTD")	(148.7)
<b>Carrying value December 31</b>	<b>3,083.7</b>

#### DIVIDEND INCOME

The dividend income is analyzed as follows:

COMPANY	2020	2019
COSMOTE	300.0	1,130.0
OTESAT-MARITEL	0.3	0.6
OTE ESTATE	30.7	28.6
<b>TOTAL</b>	<b>331.0</b>	<b>1,159.2</b>

#### COMPANY'S PARTICIPATION IN COSMOTE PAYMENTS

In June 2020 the Board of Directors of OTE and the General Assembly of COSMOTE PAYMENTS respectively decided the share capital increase of COSMOTE PAYMENTS for an amount of Euro 4.0.

#### AGREEMENT FOR THE SPIN-OFF OF THE BUSINESS SECTORS CUSTOMER SERVICE, SHOPS AND TECHNICAL FIELD OPERATIONS

On December 4, 2020 the Extraordinary General Meetings of Shareholders of OTE and COSMOTE approved the Draft Demergers Agreement through spin-off of the business sectors of Customer Service, Shops and Technical Field Operations and their absorption by the Group's Subsidiaries COSMOTE E-VALUE, GERMANOS and CTS (former "OTE PLUS"), respectively.

The assets and liabilities of each OTE and COSMOTE sector, as they appear in the Sectors' Accounting Statements as of June 30, 2020, will be transferred to the relevant absorbing entity which will issue new shares for each absorbed sector. In effect, the demerged companies (OTE and COSMOTE) will receive new shares of the absorbing entities in exchange for the sectors they contribute.

The spin-off procedure has been completed on January 4, 2021 upon registration in the Greek General Commercial Registry (Γ.Ε.ΜΗ.).

Following the completion of the spin-off process, the shareholders' structure of the entities COSMOTE E-VALUE, GERMANOS and CTS (former "OTE PLUS") has changed, with no effect on the Group's ownership interest.

#### AGREEMENT FOR THE SALE OF TELEKOM ROMANIA

On November 9, 2020 the Group announced that it has entered into an agreement to sell its 54.01% stake in TELEKOM ROMANIA to Orange Romania. The transaction will be executed through the sale of OTE's total ownership interest of 100.00% in OTE INTERNATIONAL INVESTMENTS LTD, which has a direct ownership interest of 54.01% in TELEKOM ROMANIA.

The agreed consideration is Euro 497.0 for 100.00%, corresponding to Euro 268.4 for the Group's stake, on a debt-free, cash-free basis and is subject to customary adjustments at closing of the transaction, such as for net debt, working capital and pre-closing items.

The Group will retain ownership of TELEKOM ROMANIA MOBILE.

The transaction is subject to regulatory approvals and other conditions and is expected to be completed within the second half of 2021.

#### COMPANY'S INVESTMENT IN OTE INTERNATIONAL INVESTMENTS LTD

OTE does not have a direct participation in TELEKOM ROMANIA, however since the above transaction will be executed through the sale of its interest in OTE INTERNATIONAL INVESTMENTS LTD, therefore the above described transaction will affect the separate financial statements of the Company.

OTE INTERNATIONAL INVESTMENTS LTD has a direct ownership interest of 54.01% in TELEKOM ROMANIA. OTE INTERNATIONAL INVESTMENTS LTD has also through TELEKOM ROMANIA, an indirect ownership interest of 16.20% in TELEKOM ROMANIA MOBILE. TELEKOM ROMANIA MOBILE is a provider of mobile telecommunications services in Romania.

Following the conclusion of the respective Share Purchase Agreement, taking into account the agreed consideration adjusted for disposal costs, net debt, working capital and contingent liabilities for warranties and indemnities as well as the impairment test performed for the TELEKOM ROMANIA MOBILE cash generating unit (as below described), the carrying value of OTE's investment in OTE INTERNATIONAL INVESTMENTS LTD, remains unchanged to Euro 148.7 (out of which Euro 727.1 relates to acquisition cost and Euro (578.4) relates to accumulated impairment losses).

In the statement of financial position of OTE as of December 31, 2020 the Company's investment in OTE INTERNATIONAL INVESTMENTS LTD is presented separately from other assets of the Company in the line item "Assets of disposal group classified as held for sale".

#### ADJUSTMENT OF THE GROUP CARRYING VALUE OF TELEKOM ROMANIA

Following the conclusion of the respective Share Purchase Agreement, taking into account the agreed consideration adjusted for disposal costs, net debt, working capital and contingent liabilities for warranties and indemnities, the carrying value of TELEKOM ROMANIA was revaluated and a reversal of impairment of Euro 50.0 is recognized in the consolidated income statement and is included in the line "Profit / (loss) from discontinued operations".

#### DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

In the consolidated statement of financial position as of December 31, 2020, taking into account the provisions of IFRS 5, TELEKOM ROMANIA met the criteria for classification as held for sale and therefore, its assets and liabilities are presented separately from other assets and liabilities of the Group in the line items "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale", respectively.

Furthermore, the operations of this disposal group represent a separate area of operations for the Group (mainly fixed telecommunication services in Romania) and a separate cash generating unit. As a result, its operations for the year 2020, have been treated as discontinued operations.

The income statements, the statements of cash flows and the related notes for prior periods have been restated to conform to this presentation.

In addition, in the statement of financial position of OTE as of December 31, 2020 the Company's investment in OTE INTERNATIONAL INVESTMENTS LTD is presented separately from other assets of the Company in the line item "Assets of disposal group classified as held for sale".

The assets and liabilities of the disposal group, as of December 31, 2020 were as follows:

TELEKOM ROMANIA	31/12/2020
<b>Assets</b>	
Property, plant and equipment	241.1
Right-of-use assets	36.6
Telecommunication licenses	8.1
Other intangible assets	23.4
Other non-current assets	27.0
<b>Total non-current assets</b>	<b>336.2</b>
Other current assets	197.0
Cash and cash equivalents	73.3
<b>Total current assets</b>	<b>270.3</b>
<b>Assets of disposal group classified as held for sale</b>	<b>606.5</b>
Intragroup assets	17.2
<b>Total Assets</b>	<b>623.7</b>
<b>Liabilities</b>	
Non-current liabilities	54.6
Current liabilities	256.6
<b>Liabilities of disposal group classified as held for sale</b>	<b>311.2</b>
Intragroup liabilities	61.5
<b>Total Liabilities</b>	<b>372.7</b>

Condensed income statements of the disposal group classified as held for sale (discontinued operations) for the periods presented are included in the table below:

	TELEKOM ROMANIA	
	2020	2019
Retail service revenues	216.4	228.8
Wholesale services revenues	151.2	135.6
Other revenues	92.5	87.9
<b>Total revenues from fixed business</b>	<b>460.1</b>	<b>452.3</b>
Mobile service revenues	51.5	50.6
Handset revenues	27.5	23.2
Other revenues	1.3	1.3
<b>Total revenues from mobile business</b>	<b>80.3</b>	<b>75.1</b>
<b>Miscellaneous other revenues</b>	<b>67.8</b>	<b>67.8</b>
<b>Total external revenues</b>	<b>608.2</b>	<b>595.2</b>
Intragroup revenues	24.3	26.5
<b>Total revenues</b>	<b>632.5</b>	<b>621.7</b>
Other operating income	33.5	37.3
Total operating expenses before depreciation, amortization and impairment	(607.6)	(577.3)
<b>Operating profit before financial and investing activities, depreciation, amortization and impairment</b>	<b>58.4</b>	<b>81.7</b>
Depreciation, amortization and impairment	21.1	(403.1)
<b>Operating profit / (loss) before financial and investing activities</b>	<b>79.5</b>	<b>(321.4)</b>
<b>Total loss from financial and investing activities</b>	<b>(8.1)</b>	<b>(2.9)</b>
<b>Profit / (loss) before tax</b>	<b>71.4</b>	<b>(324.3)</b>
Income tax	(0.2)	-
<b>Profit / (loss) for the period</b>	<b>71.2</b>	<b>(324.3)</b>
Other comprehensive profit / (loss) after tax	(4.5)	(11.9)
<b>Total comprehensive profit / (loss) after tax</b>	<b>66.7</b>	<b>(336.2)</b>

In TELEKOM ROMANIA's income statement of the year 2020, in the line "Depreciation, amortization and impairment", a reversal of impairment of Euro 50.0 is recognized resulting from the revaluation of TELEKOM ROMANIA's carrying value, following the conclusion of the respective Share Purchase Agreement.

In this context, certain significant commercial transactions (MVNO agreement and handset sales) that exist between TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE will not continue after the completion of the sale of TELEKOM ROMANIA. As a result, part of TELEKOM ROMANIA MOBILE's revenues (external and intragroup) as well as the associated costs have been also classified as discontinued operations in the income statement (and the statement of cash flows), as presented in the table below:

	TELEKOM ROMANIA MOBILE	
	2020	2019
Mobile service revenues (external revenue)	10.7	9.4
Handset revenues (intragroup revenue)	20.7	18.3
Other revenues from mobile business (intragroup revenue)	71.1	49.9
<b>Total revenues</b>	<b>102.5</b>	<b>77.6</b>
Interconnection and roaming costs	(14.5)	(14.5)
Merchandise costs	(20.7)	(18.3)
<b>Total operating expenses before depreciation, amortization and impairment</b>	<b>(35.2)</b>	<b>(32.8)</b>
<b>Operating profit before financial and investing activities, depreciation, amortization and impairment</b>	<b>67.3</b>	<b>44.8</b>

#### IMPAIRMENT OF THE VALUE OF COMPANY'S INVESTMENT IN TELEKOM ROMANIA MOBILE

In the context of the agreement for the sale of TELEKOM ROMANIA an impairment test was performed for the TELEKOM ROMANIA MOBILE cash generating unit in order to reflect the current recoverable amount.

The impairment test took into consideration the operational separation of TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE as well as the repositioning of future synergies and the termination or change in significant commercial agreements between them.

For the determination of the recoverable amount of TELEKOM ROMANIA MOBILE cash generating unit, the value in use method was applied. The value in use is determined based on the projected cash flows derived from four years updated plan approved by management, with these cash flows initially projected over ten years and then to perpetuity.

The ten years' planning horizon selected, reflects the assumptions for short- to medium-term market developments and is selected to achieve a steady state in the business outlook that is necessary for calculating the perpetual annuity. This steady state can only be established based on this planning horizon, in particular due to long investment cycles in the telecommunication industry and the investments planned and expected in the long run to acquire and extend the rights of spectrum use.

For the projection of cash flows beyond a ten years period, a growth rate of 2% was assumed for this cash generating unit.

The key assumptions used by management in projecting cash flows as part of the impairment test are the following:

- Risk-free rate: The risk free rate was determined on the basis of external figures derived from the relevant market of the country.
- Budgeted profit margin: Budgeted operating profit before financial and investing activities and operating profit before financial and investing activities, depreciation, amortization and impairment were based on actual historical experience from the last few years adjusted to take into consideration expected variances in operating profitability.
- Budgeted investments to revenue ratio: Budgeted purchase of property plant and equipment and intangible assets to total revenues, ratio, was based on actual historical performance adjusted to take into consideration expected variances in market and business requirements.

The key assumptions used are consistent with independent external sources of information.

The impairment test was performed based on the following assumptions:

<b>Assumptions – TELEKOM ROMANIA MOBILE</b>	<b>2020</b>	<b>2019</b>
Discount rate, weighted average	5.9%	7.8%
Average rate of revenues increase / (decrease)	(0.7)%	0.7%
Operating profit before financial and investing activities, depreciation, amortization and impairment, margin (10 years' range)	18.1% - 27.5%	23.1% - 29.5%
Purchase of property plant and equipment and intangible assets before spectrum, to total revenues (10 years' range)	15.3% - 21.0%	11.4% - 14.7%
Operating profit before financial and investing activities, depreciation, amortization and impairment, margin, terminal value	27.5%	23.1%
Purchase of property plant and equipment and intangible assets before spectrum, to total revenues, terminal value	20.9%	13.1%

The key assumptions of the impairment test were adjusted in comparison to prior year's impairment test in order to take into consideration the operational separation of TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE as well as the repositioning of future synergies and the termination or change in significant commercial agreements between them. The equity rate and debt rate parameters of the discount rate (weighted average cost of capital) remained relatively stable in comparison to prior year's impairment test, although the capital structure changed to a more debt oriented ratio, reflecting the operational separation as well as a repositioning to a mobile only business model.

As a result of the impairment test, the carrying value of OTE's investment in TELEKOM ROMANIA MOBILE was adjusted and an impairment loss of Euro 90.4 was recognized in the separate income statement and is included in the line "Gains / (losses) from investments and other financial assets – Impairment".

#### IMPAIRMENT OF THE GROUP CARRYING VALUE OF TELEKOM ROMANIA MOBILE

As a result of the agreement for TELEKOM ROMANIA's sale and the value in use impairment test for TELEKOM ROMANIA MOBILE, the recoverable amount for TELEKOM ROMANIA MOBILE equals to Euro 196.5, while the carrying value before the impairment amounted to Euro 356.5. Consequently, total impairment losses amounting to Euro 160.0 for TELEKOM ROMANIA MOBILE were recognized in the consolidated income statement and are included in the line "Depreciation, amortization and impairment". The allocation of the total impairment charge is analyzed as follows:

<b>GROUP</b>	<b>TELEKOM ROMANIA MOBILE</b>
Property, plant and equipment (see Note 4)	50.0
Telecommunication licenses (see Note 7)	106.5
Other intangible assets (see Note 8)	3.5
<b>TOTAL</b>	<b>160.0</b>

#### NON-CONTROLLING INTERESTS

The Group's non-controlling interests amount to Euro 144.0 as of December 31, 2020 (December 31, 2019: Euro 131.1), out of which an amount of Euro 115.4 relates to TELEKOM ROMANIA (December 31, 2019: Euro 84.8), representing the 45.99% on TELEKOM ROMANIA's equity, which is owned by the Romanian State and an amount of Euro 27.1 relates to TELEKOM ROMANIA MOBILE (December 31, 2019: Euro 45.1) representing the 13.80% on TELEKOM ROMANIA MOBILE's equity, which is indirectly owned by the Romanian State.

The basic financial data of TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE are presented below:

Statement of financial position	TELEKOM ROMANIA		TELEKOM ROMANIA MOBILE	
	2020	2019	2020	2019
Non-current assets	336.2	216.7	192.7	374.3
Current assets	287.5	291.1	227.9	215.4
<b>Total assets</b>	<b>623.7</b>	<b>507.8</b>	<b>420.6</b>	<b>589.7</b>
Total equity	251.0	184.3	196.5	326.7
Non-current liabilities	54.6	57.1	38.1	41.5
Current liabilities	318.1	266.4	186.0	221.5
<b>Total equity and liabilities</b>	<b>623.7</b>	<b>507.8</b>	<b>420.6</b>	<b>589.7</b>

Income statement	TELEKOM ROMANIA		TELEKOM ROMANIA MOBILE	
	2020	2019	2020	2019
<b>Total revenues</b>	<b>632.5</b>	<b>621.7</b>	<b>350.4</b>	<b>386.0</b>
Other operating income	33.5	37.3	1.7	2.9
Total operating expenses before depreciation, amortization and impairment	(607.6)	(577.3)	(313.7)	(351.3)
<b>Operating profit before financial and investing activities, depreciation, amortization and impairment</b>	<b>58.4</b>	<b>81.7</b>	<b>38.4</b>	<b>37.6</b>
Depreciation, amortization and impairment	21.1	(403.1)	(220.7)	(190.8)
<b>Operating profit / (loss) before financial and investing activities</b>	<b>79.5</b>	<b>(321.4)</b>	<b>(182.3)</b>	<b>(153.2)</b>
Total loss from financial and investing activities	(8.1)	(2.9)	(2.4)	(4.8)
<b>Profit / (loss) before tax</b>	<b>71.4</b>	<b>(324.3)</b>	<b>(184.7)</b>	<b>(158.0)</b>
Income tax	(0.2)	-	(6.7)	2.7
<b>Profit / (loss) from continuing operations</b>	<b>-</b>	<b>-</b>	<b>(191.4)</b>	<b>(155.3)</b>
Profit / (loss) from discontinued operations	71.2	(324.3)	67.3	44.8
<b>Profit / (loss) for the year</b>	<b>71.2</b>	<b>(324.3)</b>	<b>(124.1)</b>	<b>(110.5)</b>

The 2019 income statement of TELEKOM ROMANIA MOBILE has been adjusted to reflect the effect from discontinued operations, following the sale of TELEKOM ROMANIA and the operational separation of the two entities.

Cash flow statement	TELEKOM ROMANIA		TELEKOM ROMANIA MOBILE	
	2020	2019	2020	2019
Net cash flows from operating activities	94.6	128.6	86.7	56.8
Net cash flows used in investing activities	(71.4)	(115.1)	(53.7)	(58.9)
Net cash flows from / (used in) financing activities	(14.9)	(9.1)	(17.0)	38.9
<b>Net increase in cash and cash equivalents</b>	<b>8.3</b>	<b>4.4</b>	<b>16.0</b>	<b>36.8</b>

The above cash flow presentation reflects the movement in cash for TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE on a stand-alone basis, without including the presentation in relation to operations classified as discontinued.

#### SALE OF TELEKOM ALBANIA

On January 16, 2019, the Group announced the signing of an agreement to sell its entire stake in TELEKOM ALBANIA to the Bulgarian company, Albania Telecom Invest AD. The transaction was completed on May 07, 2019 after the approval by the competent authorities.

In the consolidated income statement of 2020 in the line "Gains / (losses) from investments and other financial assets – Impairment", a gain of Euro 9.8 is included, relating to the reversal of a provision regarding that sale, following relevant settlement (see Note 29). As of December 31, 2020, there are no remaining provisions in relation to that sale (see Note 23).

## 10. OTHER NON-CURRENT ASSETS

Other non-current assets are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Loans and advances to employees	35.1	49.7	34.5	49.7
Guarantees	7.2	6.4	0.5	0.5
Other advanced payments / prepayments	0.2	6.2	-	-
Loans to group companies (see Note 28)	-	-	14.5	11.7
Long-term receivables from ICT projects	17.3	5.8	17.3	5.8
Other receivables from related parties (see Note 28)	-	-	5.4	6.3
Lease receivables (see Note 5)	14.0	13.8	0.2	-
Other	1.9	9.8	-	-
<b>TOTAL</b>	<b>75.7</b>	<b>91.7</b>	<b>72.4</b>	<b>74.0</b>

Loans and advances to employees are comprised mainly of loans granted by the Company to employees with service period exceeding 25 years against the accrued indemnity payable to them upon retirement. The interest rate on these loans is 1.02% and 1.17% for 2020 and 2019, respectively.

The total outstanding amount of the loans that the Company granted to its subsidiaries, OTE RURAL NORTH and OTE RURAL SOUTH, as of December 31, 2020 to Euro 14.5 (December 31, 2019: Euro 14.7, out of which Euro 3.0 has been classified in the line "Other financial assets", see Note 13).

## 11. INVENTORIES

Inventories are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Merchandise	22.7	44.2	6.8	7.0
Other materials	4.2	7.1	0.8	1.6
<b>TOTAL</b>	<b>26.9</b>	<b>51.3</b>	<b>7.6</b>	<b>8.6</b>

## 12. TRADE RECEIVABLES

Trade receivables are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Subscribers / Customers	1,163.5	1,433.1	598.1	705.5
Due from related parties (see Note 28)	7.4	19.2	43.6	65.3
Unbilled revenue	74.5	95.4	36.6	37.1
	<b>1,245.4</b>	<b>1,547.7</b>	<b>678.3</b>	<b>807.9</b>
<b>Less:</b>				
Provision for expected credit losses	(812.3)	(955.2)	(427.9)	(525.6)
<b>TOTAL</b>	<b>433.1</b>	<b>592.5</b>	<b>250.4</b>	<b>282.3</b>



The movement in the provision for expected credit losses is as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Balance at January 1	(955.2)	(892.5)	(525.6)	(495.6)
Charge for the year	(99.8)	(102.9)	(27.5)	(30.0)
Write-offs	151.2	37.7	125.2	-
Transfer to disposal group classified as held for sale	89.4	-	-	-
Foreign exchange differences	2.1	2.5	-	-
<b>Balance at December 31</b>	<b>(812.3)</b>	<b>(955.2)</b>	<b>(427.9)</b>	<b>(525.6)</b>

In 2020, for the Group, the line "Charge for the year" includes an amount of Euro (24.1) related to discontinued operations, while in 2019 the respective amount was Euro (21.8) and the line "Write-offs" includes an amount of Euro 3.6 related to discontinued operations (2019: Euro 9.3).

In 2020, for the Group, the income statement line "Provision for expected credit losses" includes also charges related to the impairment of contract assets, amounted to Euro 2.4 (2019: Euro 3.0).

The aging analysis of trade receivables is as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Not impaired and not past due	354.3	462.9	215.9	237.8
Not impaired and past due:				
Up to 30 days	38.2	66.1	18.4	25.2
Between 31 and 180 days	29.1	42.8	14.6	10.9
Between 181 and 360 days	9.8	9.2	0.3	4.6
More than 360 days	1.7	11.5	1.2	3.8
<b>TOTAL</b>	<b>433.1</b>	<b>592.5</b>	<b>250.4</b>	<b>282.3</b>

### 13. OTHER FINANCIAL ASSETS

Other financial assets are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Financial assets at fair value through profit or loss	5.4	5.7	2.8	2.8
Loans to group companies (see Notes 10, 28)	-	-	-	3.0
	<b>5.4</b>	<b>5.7</b>	<b>2.8</b>	<b>5.8</b>

The movement of other financial assets is analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Balance at January 1	5.7	5.1	5.8	2.3
Transfer from / (to) other non-current assets	-	-	(2.8)	3.0
Sales - maturities of financial assets	(0.3)	(0.1)	-	-
Repayment of loans granted to subsidiary	-	-	(6.2)	-
Loans granted to subsidiary	-	-	6.0	-
Fair value adjustments through profit or loss	-	0.7	-	0.5
<b>Balance at December 31</b>	<b>5.4</b>	<b>5.7</b>	<b>2.8</b>	<b>5.8</b>

## 14. OTHER CURRENT ASSETS

Other current assets are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Loans to Auxiliary fund, short-term portion (see Note 20)	7.0	7.0	7.0	7.0
Due from OTE Leasing customers (see Note 29)	25.5	25.5	25.5	25.5
Loans and advances to employees	2.2	4.5	1.3	2.5
Income tax receivable (see Note 22)	32.0	53.2	24.6	9.5
Other prepayments	28.8	58.6	19.0	31.8
Receivable from dividends (see Note 28)	-	-	150.9	80.6
Guaranteed receipt from Grantor (Financial asset model)	4.2	12.2	-	-
Other receivables from taxes not relating to income tax	10.8	26.6	2.1	2.1
Other receivables from related parties (see Note 28)	1.1	1.3	1.7	1.5
Lease receivables (see Note 5)	3.4	2.5	0.1	-
Other	28.8	37.8	19.0	20.1
<b>TOTAL</b>	<b>143.8</b>	<b>229.2</b>	<b>251.2</b>	<b>180.6</b>

## 15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Cash in hand	6.0	6.0	4.5	4.5
Short-term bank deposits	510.2	1,052.3	101.0	556.1
<b>TOTAL</b>	<b>516.2</b>	<b>1,058.3</b>	<b>105.5</b>	<b>560.6</b>

## 16. SHARE CAPITAL – SHARE PREMIUM – TREASURY SHARES

Within the framework of the Share Repurchase Program approved by the General Meeting of Shareholders on February 15, 2018, 9,764,743 treasury shares were acquired, during the period from February 25, 2019 to January 27, 2020, for the purpose of cancellation.

The Extraordinary General Meeting of Shareholders of February 20, 2020 approved the cancellation of the acquired treasury shares, i.e. 9,764,743 shares, together with the corresponding reduction in the Company's share capital of Euro 27.6 and amendment of the Company's Articles of Incorporation.

On March 23, 2020, following notification to the Corporate Actions Committee of the Athens Stock Exchange and the completion of other legal and regulatory procedures, the aforementioned 9,764,743 shares were cancelled and delisted from the Athens Stock Exchange effective from March 27, 2020.

Following this cancellation, OTE's share capital as of December 31, 2020 amounted to Euro 1,330.6 (December 31, 2019: Euro 1,358.2) divided into 470,174,576 registered shares, with a nominal value of Euro 2.83 (absolute amount) per share.

Furthermore, as a result of the aforementioned cancellation of treasury shares a reduction of Euro 10.0 and Euro 83.7 was recognized in share premium and retained earnings, respectively.

The share premium as of December 31, 2020 amounted to Euro 476.4 (December 31, 2019: Euro 486.6).

Furthermore, under the Shareholders Remuneration Policy, the Extraordinary General Meeting of Shareholders of February 20, 2020 approved a new Share Repurchase Program for a 24-months' duration.

Within the framework of the new Share Repurchase Program, during the period from March 4, 2020 to December 31, 2020 OTE acquired 10,826,389 treasury shares amounting to Euro 132.2.

The following is an analysis of the ownership of OTE's shares as of December 31, 2020:

Shareholder	Number of shares	Percentage %
DEUTSCHE TELEKOM AG	220,567,676	46.9%
Hellenic State	4,901,507	1.0%
e-E.F.K.A. (refers only to the transfer of 4% from the Hellenic State)	19,606,015	4.2%
Free float	214,272,989	45.6%
Treasury shares	10,826,389	2.3%
<b>TOTAL</b>	<b>470,174,576</b>	<b>100.0%</b>

The movement of the treasury shares is presented in the table below:

	Number of shares	Amount
<b>Treasury shares as at January 1, 2020</b>	<b>9,029,547</b>	<b>110.3</b>
Treasury shares acquired during the year	11,561,585	143.2
Cancellation of treasury shares	(9,764,743)	(121.3)
<b>Treasury shares as at December 31, 2020</b>	<b>10,826,389</b>	<b>132.2</b>

The Extraordinary General Meeting of Shareholders of December 4, 2020 approved the cancellation of 9,965,956 treasury shares, acquired during the period from March 4, 2020 to October 31, 2020, together with the corresponding reduction in the Company's share capital of Euro 28.2 and amendment of the Company's Articles of Incorporation.

On January 12, 2021, following notification to the Corporate Actions Committee of the Athens Stock Exchange and the completion of other legal and regulatory procedures, the aforementioned 9,965,956 shares were cancelled and delisted from the Athens Stock Exchange effective from January 15, 2021.

## 17. STATUTORY RESERVE - FOREIGN EXCHANGE AND OTHER RESERVES - RETAINED EARNINGS

Under Greek Corporate Law, entities are required to transfer on an annual basis a minimum of five percent of their annual profit (after income taxes) to a statutory reserve, until such reserve equals one-third of the issued share capital. As of December 31, 2020 and 2019, this reserve amounted to Euro 440.7 and Euro 415.1, respectively. This statutory reserve cannot be distributed to shareholders.

The analysis of foreign exchange and other reserves is as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Foreign currency translation	(171.8)	(164.9)	-	-
Cumulative amount of actuarial losses recognized in equity	(44.8)	(35.5)	(42.3)	(35.0)
Deferred taxes on cumulative amount of actuarial losses recognized in equity	15.0	12.9	14.4	12.6
<b>TOTAL</b>	<b>(201.6)</b>	<b>(187.5)</b>	<b>(27.9)</b>	<b>(22.4)</b>

Retained earnings include undistributed taxed profits as well as untaxed and specially taxed reserves which, upon distribution, will be subject to income tax. The retained earnings for the Group and the Company as of December 31, 2020 amounted to Euro 3,396.0 and Euro 1,171.6, respectively (December 31, 2019: Euro 3,404.0 and Euro 1,027.4, respectively).

## 18. DIVIDENDS

On January 18, 2018 the Board of Directors approved a new Shareholder Remuneration Policy. The Policy is defined as follows: Provided the external and the macroeconomic environment remain stable, in the mid-term the Company intends to distribute to its shareholders, through a combination of dividend payout and Share Buyback Programs for their cancellation, the free cash flow generated every year, after incorporating the considerations for spectrum acquisitions and one-off items. The split between ordinary dividends and share buybacks is targeted approximately at 65%/35% respectively in 2018 and in the medium term.

On June 24, 2020, the General Assembly of OTE's Shareholders approved the distribution of dividend of a total amount of Euro 258.6 or Euro 0.555409 (in absolute amount) per share.

The amount of dividends payable for the Group and the Company as of December 31, 2020 amounted to Euro 2.2 and Euro 2.1, respectively (December 31, 2019: Euro 1.5 and Euro 1.4).

In the respect of the Shareholder remuneration policy, for the part that relates to dividend distribution, the Board of Directors of OTE will propose to the Company's Annual General Assembly of the Shareholders the distribution of a dividend of Euro 0.68 (absolute amount) per share or a total amount of Euro 312.9. It is noted that the amount of Euro 0.68 (absolute amount) per share corresponds to 460,208,620 shares into which the share capital of the Company is divided after the cancellation of 9,965,956 own shares as approved by the Extraordinary General Meeting of Shareholders on December 4, 2020 and concluded after the completion of other legal and regulatory procedures on January 12, 2021 (see Note 16).

This proposed distribution will be subject to the pronouncements of the law 4548/2018 and the prevailing tax legislation.

## 19. LONG-TERM AND SHORT-TERM BORROWINGS

### LONG - TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	2020	2019
(a) Bank loans	103.8	128.1
(b) Global Medium-Term Note Programme of OTE PLC	894.1	1,575.8
<b>Total long-term debt</b>	<b>997.9</b>	<b>1,703.9</b>
Short-term portion of long-term debt	(23.1)	(707.5)
<b>Long-term borrowings</b>	<b>974.8</b>	<b>996.4</b>

### (a) Bank Loans

#### Euro 150.0 bilateral term loan with the European Investment Bank (EIB)

On July 10, 2017 COSMOTE signed, with the guarantee of OTE, the Euro 150.0 bilateral term loan with EIB. The EIB loan was fully drawn on January 23, 2018, has a tenor of 7 years with semi-annual repayment schedule and bears fixed interest rate of 2.805% p.a.. The outstanding balance of the EIB Loan as of December 31, 2020 was Euro 103.8.

#### Euro 200.0 Revolving Credit Facility with National Bank of Greece ("NBG") and Alpha Bank SA ("Alpha")

On July 24, 2020, OTE signed a Loan Agreement, in the form of a committed Revolving Credit Facility, with the syndication of National Bank of Greece and Alpha Bank SA, of Euro 200.0 in total and tenor of 2 years. No drawdown had taken place up to December 31, 2020.

### Change of Control Clauses

The above Bank Loans include a change of control clause applicable to OTE which is triggered if an entity other than (i) DEUTSCHE TELEKOM AG, (ii) DEUTSCHE TELEKOM AG together with the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by the Hellenic Republic or any of its agencies or instrumentalities, or (iii) any telecommunications operator (other than DEUTSCHE TELEKOM AG) with credit rating equivalent or better than the credit rating of DEUTSCHE TELEKOM AG, gains the power to direct the management and policies of OTE, whether through voting rights, by contract or otherwise.

In addition, the EIB Loan includes a change of control applicable to COSMOTE which is triggered if OTE (the Guarantor) ceases to control COSMOTE (the Borrower).

In the event that the clause is triggered in the Euro 150.0 bilateral term loan, the bank may at its option, by notice to COSMOTE, require the prepayment of the whole or any portion of the loan.

In the event that the clause is triggered in the Euro 200.0 Revolving Credit Facility, each bank may exercise its option to request mandatory prepayment of the outstanding bonds and cancellation of commitments.

### Financial Covenants

The above Bank Loans include two financial covenants tested on a semi-annual basis at Group level, namely:

- The ratio of consolidated operating profit before financial and investing activities, depreciation, amortization and impairment and costs related to voluntary leave schemes ("consolidated pro-forma EBITDA") to consolidated net interest expense should exceed 4.5:1 at all times, and
- The ratio of consolidated net debt to consolidated pro-forma EBITDA should not exceed 2.5:1 at all times.

In the EIB Loan, the above covenants apply also at COSMOTE level, on an annual basis.

### (b) Global Medium Term-Note Programme

OTE PLC has established a Global Medium-Term Note ("GMTN") Programme, guaranteed by OTE. The notes that are issued under the GMTN Programme and traded in the secondary market, are listed in the Luxembourg Stock Exchange.

#### Repayment of Notes under the Global Medium-Term Note Programme

In the first half of 2020, OTE PLC bought back and cancelled Notes of Euro 56.1 under the Euro 700.0 Notes due in July 2020. On July 9, 2020, the Euro 700.0 Notes, with an outstanding balance of Euro 627.9, were fully repaid at maturity.

#### Change of control clauses

The Notes issued under the Global - Medium Term Note Programme include a change of control clause applicable to OTE which is triggered if an entity other than (i) DEUTSCHE TELEKOM AG, (ii) DEUTSCHE TELEKOM AG together with the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by the Hellenic Republic or any of its agencies or instrumentalities, or (iii) any telecommunications operator (other than DEUTSCHE TELEKOM AG) with credit rating equivalent or better than the credit rating of DEUTSCHE TELEKOM AG, gains the power to direct the management and policies of OTE, whether through voting rights, by contract or otherwise.

In accordance with the final terms of the Notes, in the event that the change of control clause is triggered, OTE PLC shall promptly give written notice to the bond holders who in turn shall have the option within 45 days to require OTE PLC to redeem the bonds (put option), at their principal amounts together with accrued interest up to the date of redemption.

The analysis of the Group's long-term debt is as follows:

Description	Rate	Maturity	2019		2020					
			Outstanding nominal value	Book value	Transfer to disposal group classified as held for sale	Repayments/Prepayments	Amortization of expenses	Outstanding nominal value	Book value	
<b>a) Bank loans</b>										
TELEKOM ROMANIA Facility	Robor+1.4%	31/12/2020	1.2	1.2	(1.2)	-	-	-	-	-
EIB loan Euro 150.0	2.805%	23/01/2025	126.9	126.9	-	(23.1)	-	103.8	103.8	-
<b>b) Global Medium-Term Programme of OTE PLC</b>										
Euro 700.0 Notes	3.500%	09/07/2020	684.0	683.2	-	(684.0)	0.8	-	-	-
Euro 400.0 Notes	2.375%	18/07/2022	400.0	398.0	-	-	0.8	400.0	398.8	-
Euro 500.0 Notes	0.875%	24/09/2026	500.0	494.6	-	-	0.7	500.0	495.3	-
			<b>1,712.1</b>	<b>1,703.9</b>	<b>(1.2)</b>	<b>(707.1)</b>	<b>2.3</b>	<b>1,003.8</b>	<b>997.9</b>	

DEUTSCHE TELEKOM AG participated in the issuance of the Euro 500.0 Notes by OTE PLC under the GMTN Programme, covering a nominal amount of Euro 100.0 out of the total amount.

For the Group, as of December 31, 2020, the short-term portion of long term debt amounts to Euro 23.1 consisting of EIB loan.

#### Cost of debt

The weighted average cost of debt of the Group's long-term borrowings in Euro, for the years ended December 31, 2020 and 2019 was approximately 2.2% and 3.4%, respectively.

COMPANY	2020	2019
Intragroup loans	894.1	1,636.3
<b>Total long-term debt</b>	<b>894.1</b>	<b>1,636.3</b>
Short-term portion of long-term borrowings	-	(743.8)
<b>Long-term borrowings</b>	<b>894.1</b>	<b>892.5</b>

The outstanding balance of intragroup loans for the Company refers to loans granted by OTE PLC.

The analysis of the Company's long-term debt is as follows:

Description	Maturity	2019		2020			
		Outstanding nominal value	Book value	Repayments/Prepayments	Amortization of expenses	Outstanding nominal value	Book value
<b>Intragroup loans</b>							
Euro 75.0 loan	27/05/2020	20.0	20.0	(20.0)	-	-	-
Euro 70.0 loan	10/06/2020	10.0	10.0	(10.0)	-	-	-
Euro 30.6 loan	23/06/2020	30.6	30.6	(30.6)	-	-	-
Euro 700.0 loan	09/07/2020	684.0	683.2	(684.0)	0.8	-	-
Euro 400.0 loan	18/07/2022	400.0	398.0	-	0.8	400.0	398.8
Euro 500.0 loan	24/09/2026	500.0	494.5	-	0.8	500.0	495.3
		<b>1,644.6</b>	<b>1,636.3</b>	<b>(744.6)</b>	<b>2.4</b>	<b>900.0</b>	<b>894.1</b>

For the Company, as of December 31, 2020, the short-term portion of long term borrowings amounts to Euro nil (December 31, 2019: Euro 743.8).

#### SHORT - TERM BORROWINGS

##### GROUP

The Group's outstanding balance of short-term borrowings as of December 31, 2020 amounted to Euro 205.9 (December 31, 2019: Euro 8.9) relating to credit facilities of Euro 5.9 of TELEKOM ROMANIA MOBILE with Banca Transilvania and to Euro 200.0 Notes of OTE PLC.

The analysis of short-term borrowings is as follows:

Description	Maturity date	2019	2020			
		Book value	Transfer to disposal group classified as held for sale	New loans	Repayments/Prepayments	Book value
<b>a) Bank loans</b>						
TELEKOM ROMANIA credit facility	14/03/2020	3.2	(3.2)	-	-	-
TELEKOM ROMANIA MOBILE credit facility	13/03/2021	5.7	-	17.4	(17.2)	5.9
<b>b) Global Medium-Term Programme of OTE PLC</b>						
Euro 150.0 Notes	10/12/2020	-	-	150.0	(150.0)	-
Euro 200.0 Notes	10/06/2021	-	-	200.0	-	200.0
		<b>8.9</b>	<b>(3.2)</b>	<b>367.4</b>	<b>(167.2)</b>	<b>205.9</b>

In June 2020 OTE PLC issued Euro 150.0 Notes and Euro 200.0 which were fully subscribed by DEUTSCHE TELEKOM AG. The Euro 150.0 Notes were fully repaid on December 10, 2020.

#### COMPANY

The outstanding balance of short-term borrowings as of December 31, 2020 for the Company amounted to Euro 270.8 (December 31, 2019: Euro nil).

The analysis of short-term borrowings is as follows:

Description	Maturity date	2019	2020		
		Book value	New loans	Repayments/Prepayments	Book value
Euro 150.0 intragroup loan	10/12/2020	-	150.0	(150.0)	-
Euro 200.0 intragroup loan	10/06/2021	-	200.0	-	200.0
Euro 70.8 intragroup loan	17/06/2021	-	70.8	-	70.8
		-	<b>420.8</b>	<b>(150.0)</b>	<b>270.8</b>

Company's short-term loans refer to loans granted by OTE PLC.

## 20. PROVISIONS FOR PENSIONS, STAFF RETIREMENT INDEMNITIES AND OTHER EMPLOYEE BENEFITS

OTE employees are covered by various pension, medical and other benefit plans as summarized below:

#### Defined Contribution Plans:

##### (a) Main pension fund

The TAP-OTE Fund, was the main fund providing pension and medical benefits to OTE employees. Pursuant to law 2843/2000, any deficits incurred by TAP-OTE are covered by the Greek State.

As a result of law 3655/2008, the pension segment of TAP-OTE was incorporated into IKA-ETAM (the main social security of Greece) from August 1, 2008, with a gradual reduction of contributions from TAP-OTE to those of IKA, which commenced in 2013 and was expected to conclude in 2022 in equal installments per year. At the same time, the medical segment of TAP-OTE was incorporated from October 1, 2008 into TAYTEKO.

Furthermore, according to law 3655/2008 (article 2, paragraph 8) the deficits of the pension segments which were incorporated into IKA-ETAM are covered by the Greek State.

Finally, as a result of law 4387/2016 (article 53) IKA-ETAM was incorporated from January 1, 2017 into E.F.K.A. (later renamed as e-E.F.K.A), with a gradual reduction of the pension segments contributions (article 38, paragraph 4), which commenced in January 1, 2017 and was concluded in January 1, 2020 in equal installments per year.

Employer's contributions to pension funds for the year 2020 amounted to Euro 86.8 for the Group and Euro 58.4 for the Company (2019: Euro 93.7 and Euro 64.5, respectively) and are included in "Personnel costs" in the income statement.

#### (b) Auxiliary pension fund

The Auxiliary Fund Lump-Sum Payment segment provides members with a lump-sum benefit upon retirement or death. Law 2084/1992 has fixed minimum contributions and maximum benefits, after 35 years of service, for new entrants from 1993. As a result of law 3655/2008, the two segments of the Auxiliary fund (the Lump – Sum Payment segment and the Additional Pension segment) were incorporated from October 1, 2008 into TAYTEKO.

Furthermore, as a result of law 4052/2012 (article 36, paragraph 1), the Additional Pension segment was incorporated into ETEA.

Subsequently, as a result of law 4387/2016 (articles 74 and 75) ETEA was renamed as ETEAEP and the Lump-Sum Payment segment of TAYTEKO was incorporated from May 12, 2016 into ETEAEP.

Finally, based on law 4670/2020 (article 1) the ETEAEP (the Additional Pension segment and the Lump – Sum Payment segment) was incorporated from March 1, 2020 into e-E.F.K.A..

OTE does not have a legal obligation to cover any future deficiencies of these funds and, according to management, neither does it voluntarily intend to cover such possible deficiencies.

#### Loans to pension funds

Loans to pension funds are analyzed as follows:

GROUP and COMPANY	2020	2019
Interest bearing loan to Auxiliary Pension Fund (law 3371/2005)	69.3	73.1
Interest-free loan to Auxiliary Pension Fund (law 3762/2009)	10.0	9.8
<b>TOTAL</b>	<b>79.3</b>	<b>82.9</b>
<b>Short-term portion (see Note 14)</b>	<b>7.0</b>	<b>7.0</b>
<b>Long-term portion</b>	<b>72.3</b>	<b>75.9</b>

Loans to pension funds are reflected in the financial statements at amortized cost, having been discounted, using appropriate Greek market rates, on initial recognition to their present values. Based on law 3371/2005 and the provisions of the related Ministerial Decision, OTE should grant an interest bearing loan to the Auxiliary Pension Fund in order to cover the Lump-Sum payments due to participants of the 2005 Voluntary Leave Scheme. The total amount granted was Euro 189.3, repayable in 21 years including a two year grace period, meaning that the repayment started on October 1, 2008 through monthly installments. In 2015, due to liquidity problems of Auxiliary Pension Fund, an agreement was reached resulting in an extension of the loan maturity for 7 years. The loan bears contractual interest at 0.29%. At the date of the contractual commitment and after the restructuring, the loan was discounted to its present value. During 2020, an amount of Euro 2.8 was unwinded (2019: Euro 3.1). Furthermore, based on law 3762/2009, OTE was required to grant an interest-free long-term loan to the Auxiliary Pension Fund for the Lump-Sum payments due to participants of the 2009 Voluntary Leave Scheme. The respective loan agreement was signed in June 2010 for a nominal amount of Euro 30.0, being an interest free loan with duration of 22 years. In 2015, due to liquidity problems of Auxiliary Pension Fund, an agreement was reached resulting in an extension of the loan maturity for 3.8 years. At the date of the contractual commitment and after the restructuring, the loan was discounted to its present value. During 2020, an amount of Euro 0.8 was unwinded (2019: Euro 0.8).

These loans are exposed to credit risk related to the debt servicing capacity of the pension fund.

#### Defined Benefit Plans

##### (a) Provision for Staff Retirement Indemnities

Under Greek labor law, employees are entitled to termination payments in the event of dismissal or retirement with the amount of payment varying in relation to the employee's compensation, length of service and manner of termination (dismissal or retirement). Employees who resign (except those who resign with the consent of the employer, either with over fifteen years of service or when they meet the age limit set by the insurance fund) or are dismissed due to criminal offence are not entitled to termination payments. The indemnity payable in case of retirement is equal to 40% of the amount which would be payable upon



dismissal. Since March 2018 based on the new Collective Labor Agreement (CLA) for OTE employees, the benefit to be provided on retirement is calculated as follows:

- For employees joined OTE prior to June 10, 1999, the indemnity is equal to the lesser amount between 100% of the maximum liability and Euro 0.03 (annually adjusted according to the inflation rate) plus 9 months' salary.
- For employees joined OTE from June 10, 1999 until July 14, 2005, the indemnity is equal to the lesser amount between 100% of the maximum liability and Euro 0.03 (annually adjusted according to the inflation rate) plus 7 months' salary.
- For employees who joined OTE from July 15, 2005, the indemnity payable will be equal to 40% of the retirement indemnity as provided in law 4093/2012.

Employees with service period exceeding 25 years are entitled to draw loans against the indemnity payable to them upon retirement.

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

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

	GROUP		COMPANY	
	2020	2019	2020	2019
Current service cost	5.0	5.4	3.7	3.8
Recognition of past service cost, settlement, curtailment	(1.8)	(1.6)	(2.0)	-
<b>P&amp;L effect recorded in "Personnel costs"</b>	<b>3.2</b>	<b>3.8</b>	<b>1.7</b>	<b>3.8</b>
P&L effect recorded in "Interest and related expenses"	2.3	3.3	1.6	2.4
<b>Total P&amp;L effect</b>	<b>5.5</b>	<b>7.1</b>	<b>3.3</b>	<b>6.2</b>

For the Group, for the years 2020 and 2019, the P&L effect recorded in "Personnel costs" includes an amount of Euro 0.2 and an amount of Euro (0.9), respectively, related to discontinued operations. For the Group, for the years 2020 and 2019, the P&L effect recorded in "Interest and related expenses" includes an amount of Euro 0.4 and Euro 0.5, respectively, related to discontinued operations.

Changes in the present value of the staff retirement indemnities are as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Defined benefit obligation - beginning of the year	186.7	186.9	152.3	154.5
Current service cost	5.0	5.4	3.7	3.8
Recognition of past service cost, settlement, curtailment	(1.8)	(1.6)	(2.0)	-
Interest cost	2.3	3.3	1.6	2.4
Actuarial losses	11.1	7.4	8.4	5.4
Foreign exchange differences	-	(0.2)	-	-
Usage of provision for voluntary leave schemes participants	(44.8)	(12.4)	(42.9)	(12.1)
Benefits paid	(1.9)	(2.1)	(1.0)	(1.7)
Transfer to disposal group classified as held for sale	(10.9)	-	-	-
<b>Defined benefit obligation - end of the year</b>	<b>145.7</b>	<b>186.7</b>	<b>120.1</b>	<b>152.3</b>

For the Group, for the years 2020 and 2019, "Benefits paid" include an amount of Euro (0.1) and Euro nil, respectively, related to discontinued operations.

The underlying assumptions of the actuarial valuation of the staff retirement indemnities for the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Discount rate	0.78% - 3.1%	1.04% - 4.5%	0.78%	1.09%
Assumed rate of future salary changes	1.0% - 2.5%	1.0% - 2.5%	1.0%	1.0%
Inflation rate	1.5% - 2.5%	1.5% - 2.5%	1.5%	1.5%

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 12.0%. 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 14.4%. If the rate for salary increases was 0.5% higher, then the defined benefit obligation for staff retirement indemnities for the Company would increase by about 4.5%. If the rate for salary increases was 0.5% lower, then the defined benefit obligation for staff retirement indemnities for the Company would decrease by about 4.3%. The average duration of the liabilities in respect of the staff retirement indemnities for the Company as at the valuation date is equal to 13.7 years. The benefit payments expected to take place in 2021 for the Company amount to Euro 3.9.

#### (b) Youth Account

The Youth Account provides OTE's employees' children a lump-sum payment generally when they reach the age of 25. The lump-sum payment is made up of employees' contributions, interest thereon and OTE's contribution which for the period up to November 6, 2011 can reach up to an amount of 10 times the maximum between the average salary of OTE employees or the result of 86 times the daily wage salary of the unskilled worker, depending on the number of years of contributions. For the period after November 7, 2011, following the amendment of the program, OTE's contribution can reach up to an amount of 3 times the maximum between the average salary of OTE employees or the result of 86 times the daily wage salary of the unskilled worker depending on the number of years of the employee's contributions and the amount of these contributions. The provision for benefits under the Youth Account is based on an independent actuarial study. The total actuarial liability is split into two parts: one is treated as "post employment employee benefit" and the other as "other long-term employee benefit". The part of the total Youth Account liability that is being classified as "other long-term employee benefit" relates to employees who will still be active employees at the time when their children will be eligible for the lump-sum benefit. The remaining part of the liability is being classified as "post employment benefit".

The amount of the Youth Account provision recognized in the consolidated and separate income statement is analyzed as follows:

	2020			2019		
	Post employment benefit	Other long-term benefit	TOTAL	Post employment benefit	Other long-term benefit	TOTAL
<b>GROUP and COMPANY</b>						
Current service cost	1.2	1.2	2.4	1.3	1.2	2.5
Actuarial (gains) / losses	-	(1.1)	(1.1)	-	2.6	2.6
<b>P&amp;L effect recorded in "Personnel costs"</b>	<b>1.2</b>	<b>0.1</b>	<b>1.3</b>	<b>1.3</b>	<b>3.8</b>	<b>5.1</b>
P&L effect recorded in "Interest and related expenses"	0.2	0.1	0.3	0.4	0.9	1.3
<b>Total P&amp;L effect</b>	<b>1.4</b>	<b>0.2</b>	<b>1.6</b>	<b>1.7</b>	<b>4.7</b>	<b>6.4</b>

The reconciliation of the total defined benefit obligation regarding the Youth Account to the benefit liability is as follows:

	2020			2019		
	Post employment benefit	Other long-term benefit	TOTAL	Post employment benefit	Other long-term benefit	TOTAL
<b>GROUP and COMPANY</b>						
Defined benefit obligation - beginning of the year	43.9	22.7	66.6	43.1	21.1	64.2
Current service cost	1.2	1.2	2.4	1.3	1.2	2.5
Interest cost	0.2	0.1	0.3	0.4	0.9	1.3
Actuarial (gains) / losses	(1.1)	(1.1)	(2.2)	6.6	2.6	9.2
Benefits paid	(7.3)	(3.3)	(10.6)	(7.5)	(3.1)	(10.6)
<b>Defined benefit obligation - end of the year</b>	<b>36.9</b>	<b>19.6</b>	<b>56.5</b>	<b>43.9</b>	<b>22.7</b>	<b>66.6</b>
Employee's accumulated contributions			52.7			54.8
<b>Liability in the statement of financial position</b>			<b>109.2</b>			<b>121.4</b>

The underlying assumptions of the actuarial valuation of the Youth Account are as follows:

GROUP and COMPANY	2020	2019
Discount rate	0.35%	0.62%
Assumed rate of future salary changes	1.0%	1.0%
Inflation rate	1.5%	1.5%

If the discount rate used in the valuation was 1% higher, then the defined benefit obligation for Youth Account would decrease by about 4.2%. If the discount rate used in the valuation was 1% lower, then the defined benefit obligation for Youth Account would increase by about 4.6%. If the rate for salary increases was 0.5% higher, then the defined benefit obligation for Youth Account would increase by about 2.9%. If the rate for salary increases was 0.5% lower, then the defined benefit obligation for Youth Account would decrease by about 2.8%. The average duration of the liabilities in respect of the Youth Account as at the valuation date is equal to 6.0 years. The benefit payments expected to take place in 2021 for the Company amount to Euro 8.8.

#### Risks

The above mentioned plans are unfunded and therefore no plan assets exist and hence asset volatility or similar risks (e.g. low returns, asset concentration etc.) do not exist. The risks associated with the existing plans relate to the actuarial assumptions that are used in determining the liability, that must be reflected in the financial statements, and comprise potential changes in bond yields, which determine the discount rate, and assumptions relating to the inflation rate and the rate of future salary increase that may affect the future cash flows of the plans.

#### Voluntary Leave Schemes

##### OTE voluntary leave schemes

In 2020, OTE implemented voluntary leave schemes, the respective cost of which amounted to Euro 117.8 (2019: Euro 49.9).

##### Group voluntary leave schemes

Group companies applied voluntary leave schemes, the total cost of which is as follows:

	2020	2019
OTE (as described above)	117.8	49.9
COSMOTE Group - Greece	12.6	3.4
TELEKOM ROMANIA MOBILE	0.3	2.0
OTHER	1.9	-
<b>Costs related to voluntary leave schemes</b>	<b>132.6</b>	<b>55.3</b>

Amounts paid during 2020, in relation to voluntary leave schemes were Euro 109.1 for the Group and Euro 94.7 for the Company (2019: Euro 58.7 and Euro 54.2, respectively).

#### IKA-ETAM

Based on article 3 of the F/10051/27177/2174 Ministerial Decision issued in March 2010, the additional financial burden of the Pension Sector of IKA-ETAM, the Auxiliary Insurance Sector of TAYTEKO for OTE personnel and the Medical Segment of TAYTEKO as derives from articles 2 and 4 of the Collective Labor Agreement signed between OTE and OME-OTE on July 20, 2005, should be paid for by OTE. The amount of this additional financial burden would be determined by an actuarial study that would be performed by the Directorate of Actuarial Studies of the General Secretariat for Social Security in conjunction with the Directorate of Actuarial Studies and Statistics of IKA-ETAM.

By its letters dated January 21, 2011 and October 21, 2011, the Ministry notified OTE of the completion of the actuarial studies and handed over to OTE a copy of such actuarial studies. The additional financial burden that the above mentioned actuarial studies state that incurred based on law 3371/2005 and law 3762/2009 amounts to Euro 129.8 and Euro 3.7, respectively. OTE has provided for these amounts in its financial statements of 2010 and 2011, respectively.

On May 11, 2010, OTE filed an appeal against this Ministerial Decision before the Administrative Court of First Instance of Athens, requesting the annulment of article 3 as based on the Legal Department's assessment, it is in contravention of article 34 of law 3762/2009 and consequently, there are valid grounds for the annulment of this article. The hearing took place on October 6, 2017 and the court declared itself incompetent and referred the case to the Council of State.

On November 13, 2017 the Council of State decided to return the case to the Administrative Court of First Instance of Athens. The hearing took place on October 4, 2018 and a decision was issued, which accepted OTE's appeal. The opponent filed an appeal against this decision before the Administrative Court of Second Instance. The hearing took place on September 17, 2020

and a decision was issued, which rejected the opponent's appeal. Against the decision of the Administrative Court of Second Instance, the Greek State has the right to file an appeal before the Council of State.

## 21. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Asset retirement obligation	9.9	9.7	-	-
Deferred revenue	2.5	9.9	2.5	3.7
Long-term liabilities to related parties (Note 28)	-	-	49.7	53.9
Liability for TV broadcasting rights (Note 8)	83.2	29.8	83.2	29.3
Other	12.2	11.1	5.7	5.1
<b>TOTAL</b>	<b>107.8</b>	<b>60.5</b>	<b>141.1</b>	<b>92.0</b>

For the Company, long-term liabilities to related parties consist of lease network contract liabilities (as lessor).

## 22. INCOME TAXES – DEFERRED TAXES

According to law 4646/2019, the corporate income tax rate in Greece is 24% for fiscal year 2019 onwards.

The corporate income tax rate in Romania is 16%.

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, among other conditions, the parent entity holds a minimum participation of 10% for at least two consecutive years.

Based on law 4646/2019, from July 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 the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. In accordance with the Greek tax legislation (article 36 of law 4174/2013) 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 2014 (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 audit tax certificate process (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 100% 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. Based on law 4646/2019, the income tax advance for 2019 was reduced by 5%. The entities of the Group have offset within 2020 the refundable amount of Euro 5.8 for the Group and Euro 4.4 for the Company against other tax liabilities.

### Annual Tax Certificate

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 "Annual Tax Certificate" process as provided for by paragraph 5 of Article 82 of law 2238/1994 and article 65a of law 4174/2013. This "Annual Tax Certificate" 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 Greek companies of the Group that are subject to the "Annual Tax Certificate" process, the "Tax Compliance Report" for the years 2011 till 2019, 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 audit certificate 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 tax audit for the financial year 2020 is being performed by PricewaterhouseCoopers 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.

#### Unaudited tax years

Taking into account the Tax Certificate process described above (where applicable), the table below presents the years for which the tax audit has not been performed/completed:

ENTITY	Open Tax Years
OTE	2020
COSMOTE	2020
OTE INTERNATIONAL INVESTMENTS LTD	2015 - 2020
COSMO-ONE	2020
OTE PLC	2017 - 2020
OTESAT-MARITEL	2020
CTS (former "OTE PLUS")	2020
OTE ESTATE	2020
OTE GLOBE	2020
OTE INSURANCE	2020
OTE ACADEMY	2020
COSMOTE TV PRODUCTIONS	2020
TELEKOM ROMANIA	2017 - 2020
NEXTGEN	2015 - 2020
TELEKOM ROMANIA MOBILE	2017 - 2020
GERMANOS	2020
COSMOTE E-VALUE	2020
MOBILBEEEP LTD	2015 - 2020
E-VALUE LTD	2020
COSMOHOLDING INTERNATIONAL B.V.	2014 - 2020
E-VALUE INTERNATIONAL S.A.	2015 - 2020
OTE RURAL NORTH	2015 - 2017, 2020
OTE RURAL SOUTH	2015 - 2017, 2020
COSMOTE PAYMENTS	2018 - 2020
COSMOTE GLOBAL SOLUTIONS S.A.	2018 - 2020

- Within 2019, the Athens' Administrative Court of Appeals accepted the appeals filed by the Company against the tax audit reports issued by the tax authorities for years 2006 until 2010 related to the costs of OTE's voluntary leave schemes. Following the decisions issued by the Court, the Greek State refunded the relative income tax of Euro 10.6, prepaid by the Company for years 2009 and 2010, by offsetting it within 2019 with other tax liabilities of the Company. The relative amount of Euro 5.0 formerly paid by the Company for years 2006, 2007 and 2008 was refunded to the Company within 2020 through offset with other liabilities. The Greek State appealed against the decisions of the Administrative Court to a Supreme Court.
- Within 2020, the tax authorities approved the refund of COSMOTE and E-VALUE LTD income tax receivables of total Euro 24.5. The refund amounts were offset against other tax liabilities of the entities.
- COSMOTE received a tax audit notification for the year 2018. The audit has been initiated.
- TELEMOBIL S.A. (ZAPP), GERMANOS TELECOM ROMANIA S.A. and SUNLIGHT ROMANIA S.R.L FILIALA were absorbed in 2017 by TELEKOM ROMANIA MOBILE. TELEMOBIL S.A. (ZAPP), has not been audited for 2016 and 2017, whereas GERMANOS TELECOM ROMANIA S.A and SUNLIGHT ROMANIA S.R.L FILIALA have not been audited for tax years 2015 - 2017.

The Group and the Company have established provisions for open tax cases or unaudited years.

The major components of income tax expense for the years ended December 31, 2020 and 2019 are as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Current income tax	134.1	121.3	55.1	78.3
Deferred income tax – Effect due to change in the income tax rates	-	10.3	-	5.5
Deferred income tax	(88.2)	(39.3)	(86.2)	(12.3)
<b>Total income tax</b>	<b>45.9</b>	<b>92.3</b>	<b>(31.1)</b>	<b>71.5</b>

A reconciliation between the income tax expense and the accounting profit before tax multiplied by tax rates in force in Greece (2020: 24%, 2019: 24%) is as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
<b>Profit before tax</b>	<b>283.1</b>	<b>409.4</b>	<b>481.0</b>	<b>706.5</b>
Statutory tax rate	24%	24%	24%	24%
<b>Tax at statutory rate</b>	<b>67.9</b>	<b>98.3</b>	<b>115.4</b>	<b>169.6</b>
Non-taxable and specially taxed income	-	(7.2)	(79.4)	(278.2)
Effect of different tax rates in foreign countries	14.8	12.8	-	-
Effect of changes to tax rates	-	10.3	-	5.5
Expenses non-deductible for tax purposes	39.4	33.7	18.2	17.2
Impairment loss in investments	-	-	21.7	174.2
Losses in relation to investments for which no deferred tax asset was previously recognized	(107.0)	(158.3)	(107.0)	-
Taxable dividends from subsidiaries	-	96.9	-	-
Impairment losses for which no deferred tax asset is recognized	25.6	16.5	-	-
Tax losses and other items for which no deferred tax asset is recognized	3.8	1.5	-	-
Deductible provisions of prior years	-	(33.3)	-	(16.8)
Foreign withholding tax not credited	-	20.6	-	-
Other	1.4	0.5	-	-
<b>Income tax</b>	<b>45.9</b>	<b>92.3</b>	<b>(31.1)</b>	<b>71.5</b>

Income tax payable for the Group and the Company as of December 31, 2020 amounted to Euro 76.2 and Euro 7.9, respectively (December 31, 2019: Euro 16.2 and Euro 2.9, respectively).

Income tax receivable for the Group and the Company as of December 31, 2020 amounted to Euro 32.0 and Euro 24.6, respectively (December 31, 2019: Euro 53.2 and Euro 9.5, respectively) and is recorded under “Other current assets” (see Note 14).

In 2020, the Company in accordance with the law 3905/2010, formed a non-taxable reserve of Euro 130,317.77 (absolute amount) which relates to the Company’s obligation to invest in cinema film production.

Deferred taxes are analyzed as follows:

GROUP	Statement of financial position		Income statement	
	2020	2019	2020	2019
Voluntary leave schemes	34.9	33.9	1.0	(1.5)
Staff retirement indemnities	34.3	42.0	(10.3)	(3.3)
Youth account	13.6	16.0	(2.1)	(2.0)
Employee benefits	9.5	10.9	(1.4)	(2.2)
Property, plant and equipment / Leases	123.2	118.5	4.7	8.7
Provisions	93.7	105.3	(11.6)	27.5
Tax losses	30.3	35.1	(4.8)	(2.2)
Deferred income	17.1	16.7	0.4	-
Loss in investment to subsidiary	107.0	-	107.0	-
Other	12.0	10.5	1.5	(0.4)
<b>Deferred tax asset (before offset)</b>	<b>475.6</b>	<b>388.9</b>		
Offset of deferred tax liabilities	(111.6)	(108.6)		
<b>Deferred tax asset (after offset)</b>	<b>364.0</b>	<b>280.3</b>		
Property, plant and equipment	(69.4)	(66.6)	(2.8)	(8.8)
Capitalized interest	(10.2)	(11.0)	0.8	1.0
Fair value adjustment on acquisition of subsidiaries	(19.7)	(25.6)	5.9	10.2
Other	(22.1)	(22.0)	(0.1)	2.0
<b>Deferred tax liabilities (before offset)</b>	<b>(121.4)</b>	<b>(125.2)</b>		
To be offset against deferred tax asset	111.6	108.6		
<b>Deferred tax liabilities (after offset)</b>	<b>(9.8)</b>	<b>(16.6)</b>		
<b>Deferred tax income / (expense)</b>			<b>88.2</b>	<b>29.0</b>
<b>Deferred tax assets, net</b>	<b>354.2</b>	<b>263.7</b>		

A deferred tax asset has been recognized to the Group, for tax losses that are related to the Group's entities in Romania and Greece. Based on management's assessment, these carried forward tax losses will be fully utilised in the foreseeable future, considering the future expected performance of these operations.

COMPANY	Statement of financial position		Income statement	
	2020	2019	2020	2019
Voluntary leave schemes	34.9	33.9	1.0	(1.5)
Staff retirement indemnities	28.5	36.2	(9.8)	(3.3)
Youth account	13.6	16.0	(2.1)	(2.0)
Employee benefits	9.4	10.8	(1.4)	(2.2)
Leases	2.6	1.6	1.0	1.9
Provisions	64.4	70.8	(6.4)	16.9
Deferred income	2.1	1.6	0.5	(0.5)
Loss in investment to subsidiary	107.0	-	107.0	
<b>Deferred tax assets (before offset)</b>	<b>262.5</b>	<b>170.9</b>		
Offset of deferred tax liabilities	(77.1)	(73.5)		
<b>Deferred tax assets (after offset)</b>	<b>185.4</b>	<b>97.4</b>		
Property, plant and equipment	(58.1)	(54.8)	(3.3)	(3.2)
Capitalized interest	(10.2)	(11.0)	0.8	1.0
Other	(8.8)	(7.7)	(1.1)	(0.3)
<b>Deferred tax liabilities (before offset)</b>	<b>(77.1)</b>	<b>(73.5)</b>		
To be offset against deferred tax assets	77.1	73.5		
<b>Deferred tax liabilities (after offset)</b>	<b>-</b>	<b>-</b>		
<b>Deferred tax income / (expense)</b>			<b>86.2</b>	<b>6.8</b>
<b>Deferred tax assets, net</b>	<b>185.4</b>	<b>97.4</b>		

The movement in deferred tax of the Group and the Company is as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Deferred tax asset (net) – beginning of the year	263.7	231.1	97.4	88.3
Deferred tax charged to the income statement	88.2	29.0	86.2	6.8
Deferred tax through other comprehensive income	2.3	3.0	1.8	2.6
Adoption of new IFRS's	-	0.6	-	(0.3)
<b>Deferred tax asset (net) - end of the year</b>	<b>354.2</b>	<b>263.7</b>	<b>185.4</b>	<b>97.4</b>

The deferred income tax of 2020 for the Group and the Company includes a positive effect of Euro 107.0 related to losses of the Company's investment in Romania.

The recoverability of deferred tax is analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Deferred tax assets (before offset) to be recovered:				
After more than 12 months	326.7	350.5	141.5	156.1
Within 12 months	148.9	38.4	121.0	14.8
Deferred tax liabilities (before offset) to be recovered:				
After more than 12 months	(102.7)	(112.1)	(70.2)	(73.0)
Within 12 months	(18.7)	(13.1)	(6.9)	(0.5)
<b>Deferred tax asset (net)</b>	<b>354.2</b>	<b>263.7</b>	<b>185.4</b>	<b>97.4</b>

The Group does not recognize deferred tax asset on the following accumulated tax losses of its entities, due to the uncertainty of the timing of available taxable profits against which these losses could be offset. The accumulated tax losses expire as follows:

GROUP	Amount
2021	1.7
2022	1.2
2023	1.2
2024	0.8
2025 and onwards	0.4
<b>TOTAL</b>	<b>5.3</b>

## 23. OTHER CURRENT LIABILITIES

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Employer contributions	23.1	27.8	15.8	17.2
Payroll	50.9	68.1	22.2	27.8
Other taxes - duties	65.8	86.5	33.1	32.4
Interest payable	8.1	18.6	7.4	17.9
Provisions for litigation and other risks	160.7	146.7	118.5	121.3
Customer advances / deferred revenue	18.7	19.7	15.9	12.8
Provisions related to the disposal of assets / subsidiaries (see Note 9)	-	9.8	-	-
Other	37.2	34.3	30.3	23.5
<b>TOTAL</b>	<b>364.5</b>	<b>411.5</b>	<b>243.2</b>	<b>252.9</b>



The movement in the provision for litigation and other risks is as follows:

a) provision for litigation:

	GROUP		COMPANY	
	2020	2019	2020	2019
Balance at January 1	127.5	141.4	110.0	123.9
Addition during the year	28.1	-	3.1	-
Utilized	(3.7)	(1.0)	(3.7)	(1.0)
Unused amounts reversed	(6.3)	(12.9)	(3.3)	(12.9)
<b>Balance at December 31</b>	<b>145.6</b>	<b>127.5</b>	<b>106.1</b>	<b>110.0</b>

b) provision for other risks:

	GROUP		COMPANY	
	2020	2019	2020	2019
Balance at January 1	19.2	4.5	11.3	3.5
Addition during the year	8.4	16.2	7.5	9.3
Utilized	(7.2)	(1.5)	(4.9)	(1.5)
Unused amounts reversed	(2.6)	-	(1.5)	-
Transfer to disposal group classified as held for sale	(2.7)	-	-	-
<b>Balance at December 31</b>	<b>15.1</b>	<b>19.2</b>	<b>12.4</b>	<b>11.3</b>

## 24. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Gain from disposal of property, plant and equipment	2.6	3.2	2.5	3.3
Income from subsidiaries	1.3	3.4	0.6	1.8
Income from related parties (see Note 28)	-	0.1	3.8	4.5
Other	6.5	4.9	1.8	0.7
<b>TOTAL</b>	<b>10.4</b>	<b>11.6</b>	<b>8.7</b>	<b>10.3</b>

## 25. EARNINGS PER SHARE

Earnings per share (after income taxes) are calculated by dividing the profit attributable to the owners of the parent by the weighted average number of shares outstanding during the year including, for the diluted earnings per share, the number of any possible share options outstanding at the end of the year that have a dilutive effect on earnings per share.

Earnings per share are analyzed as follows:

GROUP	2020	2019
<b>Profit attributable to owners of the parent</b>	<b>359.9</b>	<b>205.1</b>
Profit for the year from continuing operations (attributable to owners of the parent)	263.4	336.3
Profit / (loss) for the year from discontinued operations (attributable to owners of the parent)	96.5	(131.2)
Weighted average number of shares for basic earnings per share	465,449,807	475,679,780
Weighted average number of shares adjusted for the effect of dilutions	465,449,807	475,679,780
<b>Basic earnings / (losses) per share</b>	<b>0.7732</b>	<b>0.4312</b>
From continuing operations	0.5659	0.7070
From discontinued operations	0.2073	(0.2758)
<b>Diluted earnings / (losses) per share</b>	<b>0.7732</b>	<b>0.4312</b>
From continuing operations	0.5659	0.7070
From discontinued operations	0.2073	(0.2758)

Earnings / (losses) per share are in absolute amounts.

## 26. CONTRACT BALANCES

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

	GROUP		COMPANY	
	2020	2019	2020	2019
Contract costs (short-term portion)	19.6	26.4	3.3	2.7
Contract costs (long-term portion)	5.0	16.5	2.2	1.8
<b>Total contract costs</b>	<b>24.6</b>	<b>42.9</b>	<b>5.5</b>	<b>4.5</b>
Contract assets (short-term portion)	15.1	24.1	0.4	1.4
Contract assets (long-term portion)	13.6	13.7	-	-
<b>Total contract assets</b>	<b>28.7</b>	<b>37.8</b>	<b>0.4</b>	<b>1.4</b>
<b>Total assets</b>	<b>53.3</b>	<b>80.7</b>	<b>5.9</b>	<b>5.9</b>
Contract liabilities (short-term portion)	121.8	134.6	74.3	72.1
Contract liabilities (long-term portion)	25.4	38.4	44.1	51.1
<b>Total liabilities</b>	<b>147.2</b>	<b>173.0</b>	<b>118.4</b>	<b>123.2</b>

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 134.6 (out of which Euro 16.6 relates to discontinued operations) for the Group and Euro 72.1 for the Company.

The aggregate amount of the transaction price 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 (2021 and onwards) amounts to Euro 147.2 for the Group and Euro 118.4 for the Company.

## 27. OPERATING SEGMENT INFORMATION

The following information is provided for the reportable segments, which are separately disclosed in the financial statements and which are regularly reviewed by the Group's chief operating decision makers. Segments were determined based on the Group's legal structure and business activities.

Using quantitative thresholds OTE, COSMOTE Group – Greece and TELEKOM ROMANIA MOBILE have been determined to be reportable segments. Information about operating segments that do not constitute reportable segments has been combined and disclosed in an "Other" category. This category comprises all the other operations of the Group, the most material of which relate to the Group's real estate subsidiary, OTE ESTATE, the Group's international carrier, OTE GLOBE and the Group's financing subsidiary, OTE PLC. The types of services provided by the reportable segments are as follows:

- OTE is a provider of fixed-line services, internet access services, ICT services and TV services in Greece.
- COSMOTE Group is a provider of mobile telecommunications services in Greece.
- TELEKOM ROMANIA MOBILE is a provider of mobile telecommunications services in Romania.

Until 2019 TELEKOM ROMANIA has been also determined to be a reportable segment. TELEKOM ROMANIA is a provider of fixed-line services, internet access services, ICT services and TV services in Romania.

Following the conclusion of the Share Purchase Agreement related to the sale of TELEKOM ROMANIA, taking into account the provisions of IFRS 5, TELEKOM ROMANIA met the criteria for classification as held for sale (see Note 9). Furthermore, the operations of this disposal group represent a separate area of operations for the Group and a separate cash generating unit. As a result, its operations for the year 2020, have been treated as discontinued operations and they are not included in the operating segment information.

The income statements and the statements of cash flows have been restated to conform to this presentation.

Accounting policies of the operating segments are the same as those followed for the preparation of the financial statements. Intersegment revenues are generally reported at values that approximate third-party selling prices. Management evaluates segment performance based on operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations; operating profit / (loss) before financial and investing activities and profit / (loss) for the year.

Segment information and reconciliation to the Group's consolidated figures are as follows:

2020	OTE	COSMOTE Group – Greece	TELEKOM ROMANIA MOBILE	OTHER	TOTAL	Elim.	GROUP
Retail services revenues (fixed business)	936.1	2.0	-	-	938.1	-	938.1
Service revenues (mobile business)	-	913.5	225.3	-	1,138.8	-	1,138.8
Revenue from the sale of goods and merchandise	26.9	153.1	87.4	2.7	270.1	-	270.1
Revenues from the use of assets	169.6	-	2.4	3.2	175.2	-	175.2
Other revenues	383.0	11.6	15.5	326.6	736.7	-	736.7
<b>External revenue</b>	<b>1,515.6</b>	<b>1,080.2</b>	<b>330.6</b>	<b>332.5</b>	<b>3,258.9</b>	-	<b>3,258.9</b>
Revenues from discontinued operations	-	3.8	19.5	0.6	23.9	(23.9)	-
Intersegment revenue	98.7	132.8	0.3	118.3	350.1	(350.1)	-
<b>Total revenue</b>	<b>1,614.3</b>	<b>1,216.8</b>	<b>350.4</b>	<b>451.4</b>	<b>3,632.9</b>	<b>(374.0)</b>	<b>3,258.9</b>
Operating profit before financial and investing activities, depreciation, amortization and impairment	649.8	478.3	38.4	65.0	1,231.5	(66.9)	1,164.6
Costs related to voluntary leave schemes	(117.8)	(12.6)	(0.3)	(1.9)	(132.6)	-	(132.6)
Other restructuring costs and non-recurring litigations	(9.7)	-	(3.8)	-	(13.5)	-	(13.5)
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	777.3	490.9	42.5	66.9	1,377.6	(66.9)	1,310.7
Depreciation, amortization and impairment	(363.0)	(270.4)	(220.7)	(35.4)	(889.5)	56.3	(833.2)
Operating profit / (loss) before financial and investing activities	286.8	207.9	(182.3)	29.6	342.0	(10.6)	331.4
Dividend income	331.0	-	-	-	331.0	(331.0)	-
Interest income	2.2	0.5	0.4	31.9	35.0	(33.3)	1.7
Interest and related expenses	(47.6)	(23.5)	(2.3)	(33.3)	(106.7)	50.5	(56.2)
Income tax	31.1	(61.2)	(6.7)	(8.0)	(44.8)	(1.1)	(45.9)
Profit / (loss) for the year from continuing operations	512.1	132.7	(191.4)	18.9	472.3	(235.1)	237.2
Purchase of property, plant and equipment and intangible assets	338.9	255.9	54.1	18.9	667.8	-	667.8

2020	OTE	COSMOTE Group – Greece	TELEKOM ROMANIA MOBILE	OTHER	TOTAL	Elim.	GROUP
Segment assets from continuing operations	2,722.6	2,391.7	362.1	1,727.5	7,203.9	(1,942.5)	5,261.4
Segment liabilities from continuing operations	2,697.4	1,143.9	207.5	1,310.6	5,359.4	(1,942.5)	3,416.9

Assets and liabilities from continuing operations for the segment TELEKOM ROMANIA MOBILE, as of December 31, 2020, do not include an amount of Euro 58.5 and Euro 16.6, respectively related to discontinued operations.

2019	OTE	COSMOTE Group – Greece	TELEKOM ROMANIA MOBILE	OTHER	TOTAL	Elim.	GROUP
Retail services revenues (fixed business)	934.4	1.2	-	-	935.6	-	935.6
Service revenues (mobile business)	-	954.1	249.5	-	1,203.6	-	1,203.6
Revenue from the sale of goods and merchandise	37.1	133.5	100.5	3.1	274.2	-	274.2
Revenues from the use of assets	178.0	-	2.3	3.2	183.5	-	183.5
Other revenues	349.3	9.3	21.9	325.6	706.1	-	706.1
<b>External revenue</b>	<b>1,498.8</b>	<b>1,098.1</b>	<b>374.2</b>	<b>331.9</b>	<b>3,303.0</b>	-	<b>3,303.0</b>
Revenues from discontinued operations	1.0	6.1	11.5	0.8	19.4	(19.4)	-
Intersegment revenue	113.4	145.7	0.3	137.4	396.8	(396.8)	-
<b>Total revenues</b>	<b>1,613.2</b>	<b>1,249.9</b>	<b>386.0</b>	<b>470.1</b>	<b>3,719.2</b>	<b>(416.2)</b>	<b>3,303.0</b>
Operating profit before financial and investing activities, depreciation, amortization and impairment	707.6	513.8	37.6	67.0	1,326.0	(64.8)	1,261.2
Costs related to voluntary leave schemes	(49.9)	(3.4)	(2.0)	-	(55.3)	-	(55.3)
Other restructuring costs and non-recurring litigations	(5.2)	(0.2)	(1.4)	-	(6.8)	-	(6.8)
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	762.7	517.4	41.0	67.0	1,388.1	(64.8)	1,323.3
Depreciation, amortization and impairment	(365.5)	(264.5)	(190.8)	(38.0)	(858.8)	54.3	(804.5)
Operating profit / (loss) before financial and investing activities	342.1	249.3	(153.2)	29.0	467.2	(10.5)	456.7
Dividend income	1,159.2	403.6	-	-	1,562.8	(1,562.8)	-
Interest income	5.3	14.6	0.2	56.5	76.6	(73.8)	2.8
Interest and related expenses	(73.8)	(37.0)	(18.1)	(57.5)	(186.4)	93.6	(92.8)
Interest expenses from discontinued operations	(2.0)	(0.6)	-	-	(2.6)	2.6	-
Income tax	(71.5)	(10.9)	2.7	(10.7)	(90.4)	(1.9)	(92.3)
Profit / (loss) for the year from continuing operations	635.0	650.1	(155.3)	18.1	1,147.9	(830.8)	317.1
Purchase of property, plant and equipment and intangible assets	343.5	130.0	58.9	14.3	546.7	-	546.7

2019	OTE	COSMOTE Group – Greece	TELEKOM ROMANIA	TELEKOM ROMANIA MOBILE	OTHER	TOTAL	Elim.	GROUP
Segment assets	3,052.1	2,517.0	507.8	589.7	2,213.6	8,880.2	(2,524.2)	6,356.0
Segment liabilities	3,216.9	1,100.2	323.5	263.0	1,793.5	6,697.1	(2,524.2)	4,172.9

Transactions between the segments are eliminated in the context of consolidation and the eliminated amounts are included in the column eliminations. The segment assets shown in "Other" include loans and interest receivable by OTE PLC of an amount of Euro 1,177.6 (2019: Euro 1,656.5) which is eliminated at Group level.



## GEOGRAPHIC INFORMATION

Geographic information for the Group's revenues and operating profit before financial and investing activities, depreciation, amortization and impairment is as follows:

2020	GREECE	ROMANIA	Elim.	TOTAL
Total revenues	2,939.7	350.4	(31.2)	3,258.9
Operating profit before financial and investing activities, depreciation, amortization and impairment	1,126.4	38.4	(0.2)	1,164.6
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	1,268.4	42.5	(0.2)	1,310.7

2019	GREECE	ROMANIA	Elim.	TOTAL
Total revenues	2,943.4	386.0	(26.4)	3,303.0
Operating profit before financial and investing activities, depreciation, amortization and impairment	1,223.8	37.6	(0.2)	1,261.2
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	1,282.5	41.0	(0.2)	1,323.3

## 28. RELATED PARTY DISCLOSURES

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

The Group includes all entities which OTE controls, either directly or indirectly (see Note 1). Transactions and balances between companies in the Group are eliminated on consolidation.

DEUTSCHE TELEKOM AG is a 46.9% shareholder of OTE and consolidates OTE using the full consolidation method. Therefore, all companies included in the DEUTSCHE TELEKOM group are also considered related parties.

The Company purchases goods and services from these related parties, provides services and delivers goods to them. Furthermore, OTE grants / receives loans to / from these related parties, receives dividends and pays dividends.

OTE's sales and purchases with related parties are analyzed as follows:

	2020		2019	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE Group - Greece	83.5	134.7	96.3	150.2
COSMOTE TV PRODUCTIONS	-	6.3	-	6.2
COSMO-ONE	0.1	0.5	0.1	0.5
OTESAT-MARITEL	0.4	0.4	0.2	0.1
CTS (former "OTE PLUS")	-	1.6	-	1.7
OTE ESTATE	0.2	4.3	0.1	13.9
OTE GLOBE	9.2	37.0	12.3	42.9
OTE ACADEMY	-	1.6	-	2.4
TELEKOM ROMANIA	-	0.1	1.0	0.2
TELEKOM ROMANIA MOBILE	0.1	-	0.2	-
OTE RURAL NORTH	2.2	2.7	1.8	1.9
OTE RURAL SOUTH	3.0	4.4	2.4	3.9
DEUTSCHE TELEKOM group of companies (except for OTE Group)	17.9	5.8	17.2	6.1
<b>TOTAL</b>	<b>116.6</b>	<b>199.4</b>	<b>131.6</b>	<b>230.0</b>

Following the adoption of IFRS 16, for the year 2020, purchases of OTE from related parties do not include an amount of Euro 43.3 related to lease expenses (2019: Euro 42.7).

The Group's sales and purchases with related parties which are not eliminated in the consolidation are analyzed as follows:

	2020		2019	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	42.1	49.7	47.5	43.7
<b>TOTAL</b>	<b>42.1</b>	<b>49.7</b>	<b>47.5</b>	<b>43.7</b>

OTE's other operating income with its related parties is analyzed as follows:

	Other operating income OTE	
	2020	2019
COSMOTE Group - Greece	2.9	3.2
OTE ESTATE	0.7	0.3
OTE ACADEMY	0.2	0.2
OTE GLOBE	-	0.7
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	0.1
<b>TOTAL</b>	<b>3.8</b>	<b>4.5</b>

The Group's other operating income with its related parties which is not eliminated in the consolidation is analyzed as follows:

	Group's other operating income	
	2020	2019
DEUTSCHE TELEKOM group of companies (except for OTE Group)	-	0.1
<b>TOTAL</b>	<b>-</b>	<b>0.1</b>

OTE's financial activities with its related parties, which comprise interest on loans granted and received, as well as other financial transactions are analyzed as follows:

	2020		2019	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	31.9	-	46.5
COSMOTE Group - Greece	0.2	0.4	0.3	0.6
TELEKOM ALBANIA	-	-	-	2.0
TELEKOM ROMANIA MOBILE	-	-	2.0	-
OTE RURAL NORTH	0.5	-	0.2	-
OTE RURAL SOUTH	0.4	0.1	0.4	0.1
OTE ESTATE	-	11.4	-	13.0
<b>TOTAL</b>	<b>1.1</b>	<b>43.8</b>	<b>2.9</b>	<b>62.2</b>

OTE's dividend income from its related parties is analyzed as follows:

	Dividend income OTE	
	2020	2019
COSMOTE	300.0	1,130.0
OTESAT-MARITEL	0.3	0.6
OTE ESTATE	30.7	28.6
<b>TOTAL</b>	<b>331.0</b>	<b>1,159.2</b>

Amounts owed to and by the related parties as a result of OTE's transactions with them are analyzed as follows:

	31/12/2020		31/12/2019	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE Group - Greece	184.8	162.6	133.0	204.3
TELEKOM ROMANIA MOBILE	0.4	-	0.2	-
COSMOTE TV PRODUCTIONS	0.1	1.7	-	2.2
COSMO-ONE	-	-	0.1	0.2
OTESAT-MARITEL	5.1	0.2	4.4	0.1
CTS (former "OTE PLUS")	-	0.5	-	1.9
OTE ESTATE	1.8	226.6	1.5	222.2
OTE GLOBE	2.8	15.8	4.1	17.4
OTE ACADEMY	0.5	0.4	0.5	0.5
TELEKOM ROMANIA	1.6	-	2.0	0.1
OTE RURAL NORTH	0.5	1.0	0.5	0.9
OTE RURAL SOUTH	0.7	2.0	0.7	1.6
DEUTSCHE TELEKOM group of companies (except for OTE Group)	3.0	3.0	6.5	6.5
<b>TOTAL</b>	<b>201.3</b>	<b>413.8</b>	<b>153.5</b>	<b>457.9</b>

In 2020, amounts owed to OTE by COSMOTE Group – Greece and OTESAT-MARITEL include dividend receivable of Euro 150.0 and Euro 0.9, respectively (2019: Euro 80.0 and Euro 0.6, respectively).

Following the adoption of IFRS 16, amounts owed by OTE to OTE ESTATE, COSMOTE Group – Greece, OTE RURAL NORTH and OTE RURAL SOUTH include liabilities related to leasing obligations.

OTE's lease liabilities to related parties are analyzed as follows:

	01/01/2020	Lease payments	New Contracts / Contract Modifications	Interest expense	31/12/2020
	Lease liabilities, opening balance				Lease liabilities, ending balance
OTE ESTATE	220.4	(35.9)	7.4	11.4	203.3
COSMOTE Group - Greece	10.7	(5.8)	1.0	0.4	6.3
OTE RURAL NORTH	0.8	(0.5)	0.3	-	0.6
OTE RURAL SOUTH	1.5	(1.1)	0.5	0.1	1.0
<b>TOTAL</b>	<b>233.4</b>	<b>(43.3)</b>	<b>9.2</b>	<b>11.9</b>	<b>211.2</b>

In addition, the Company's depreciation includes depreciation charge for the right-of-use assets in relation to lease agreements with related parties amounting to Euro 35.3 (2019: Euro 34.9).

Amounts owed to and by the related parties as a result of the Group's transactions with them, which are not eliminated in the consolidation, are analyzed as follows:

	31/12/2020		31/12/2019	
	Amounts owed to Group	Amounts owed by Group	Amounts owed to Group	Amounts owed by Group
DEUTSCHE TELEKOM group of companies (except for OTE Group)	10.3	357.9	20.5	166.5
<b>TOTAL</b>	<b>10.3</b>	<b>357.9</b>	<b>20.5</b>	<b>166.5</b>

As of December 31, 2020, amounts owed to Group include an amount of Euro 1.8 related to discontinued operations and amounts owed by Group include an amount of Euro 16.7 related to discontinued operations.

Amounts owed by Group to DEUTSCHE TELEKOM group as of December 31, 2020 include an amount of Euro 300.0 (nominal amount) related to Notes issued by OTE PLC (see note 19) and subscribed partially or in full by DEUTSCHE TELEKOM AG (December 31, 2019: Euro 100.0 nominal amount).



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

	31/12/2020		31/12/2019	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	1,172.1	-	1,654.2
COSMOTE Group - Greece	0.1	-	0.2	-
OTE RURAL NORTH	6.1	-	6.2	-
OTE RURAL SOUTH	8.6	-	8.5	-
<b>TOTAL</b>	<b>14.8</b>	<b>1,172.1</b>	<b>14.9</b>	<b>1,654.2</b>

Amounts owed by OTE to OTE PLC relating to loans include interest payable amounting to Euro 7.2 (December 31, 2019: 17.9).

Amounts owed to OTE by OTE RURAL NORTH and OTE RURAL SOUTH relating to loans include interest receivable amounting to Euro 0.2 as of December 31, 2020 (December 31, 2019: Euro nil).

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").

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 10.2 and Euro 9.9 for the years 2020 and 2019, respectively.

The main transactions between the Group companies are described below:

#### OTE GLOBE

OTE GLOBE provides international telephony services on behalf of OTE to international providers and invoices OTE with its fees. OTE GLOBE invoices OTE, and OTE invoices OTE GLOBE for the telecommunication traffic which passes through international networks of OTE GLOBE or international telephone networks of OTE as the case may be. In addition, the two entities have commercial transactions in relation to leased lines.

#### OTE ESTATE

OTE ESTATE earns income from leasing of buildings to OTE and its subsidiaries.

#### OTE INTERNATIONAL INVESTMENTS LTD

OTE INTERNATIONAL INVESTMENTS LTD invoices OTE for management services.

#### COSMOTE TV PRODUCTIONS

COSMOTE TV PRODUCTIONS invoices OTE for TV related services.

#### COSMO-ONE

COSMO-ONE invoices OTE and its subsidiaries for e-commerce services.

#### OTESAT-MARITEL

OTE invoices OTESAT-MARITEL for the usage of OTE's facilities for INMARSAT services. OTESAT-MARITEL invoices OTE for fixed to mobile connection.

#### CTS (former "OTE PLUS")

CTS (former "OTE PLUS") provides services of technical nature to OTE and its subsidiaries.

#### COSMOTE Group

OTE invoices COSMOTE Group with commissions for mobile connections made through OTE. OTE invoices COSMOTE Group for leased lines. COSMOTE Group invoices OTE with commissions for fixed connections made through sales channels of COSMOTE Group. OTE and COSMOTE Group have income and expenses for interconnection depending to which of the two entities' network the calls terminate, including international telephony traffic which passes through the two networks. COSMOTE Group provides OTE with mobile equipment. OTE and COSMOTE Group have also revenues and expenses for other shared services, depending which of the two entities provides the services.

#### OTE ACADEMY

OTE ACADEMY provides training services to the employees of OTE and its subsidiaries.

#### OTE PLC

OTE PLC grants / receives loans to / from OTE and its subsidiaries.

#### OTE RURAL NORTH

OTE invoices OTE RURAL NORTH for broadband infrastructure development and has granted loans to this entity. OTE RURAL NORTH provides wholesale broadband network services to OTE.

#### OTE RURAL SOUTH

OTE invoices OTE RURAL SOUTH for broadband infrastructure development and has granted loans to this entity. OTE RURAL SOUTH provides wholesale broadband network services to OTE.

#### DEUTSCHE TELEKOM group of companies

The Group has income and expenses which arise from transactions concerning incoming, outgoing and transit traffic to and from the network of the companies that belong to DEUTSCHE TELEKOM group, as well as other shared services.

## 29. LITIGATION AND CLAIMS – COMMITMENTS

### A. OUTSTANDING LEGAL CASES

The Group and the Company have 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 reliably estimated.

The most significant outstanding legal cases as at December 31, 2020, are as follows:

#### OTE

**Lease agreements (OTE Leasing):** On December 11, 2001, OTE disposed its wholly owned subsidiary, OTE Leasing, to Piraeus Financial Leasing S.A.. As prescribed in the agreements signed for the sale of OTE Leasing, OTE is committed to indemnify Piraeus Financial Leasing S.A. up to an amount of approximately Euro 28.0, for possible losses to be incurred from the non-performance of lessees for contracts signed through to the date of sale of OTE Leasing. Piraeus Financial Leasing S.A. filed a lawsuit against OTE, claiming Euro 3.4 from OTE for the reason described above. The hearing following several postponements took place on April 26, 2018 and the Court's decision that was issued ordered the submission of an expert opinion on the matter. The expert submitted his report to the Court and the case was re-discussed on September 24, 2020.

**Teledome S.A.:** Teledome S.A. filed a lawsuit against OTE claiming an amount of Euro 4.4 for alleged breach of contractual obligations arising out of disconnection of telecommunication services was heard on March 6, 2008 and was rejected by the court. Teledome S.A. appealed against this decision and the hearing is pending.

**Franchisees lawsuits:** Evros Telecommunications S.A. filed a lawsuit against OTE claiming an amount of Euro 2.0 for alleged damages and customer base compensation. The case was heard on May 10, 2017 and was rejected by the Court. Evros Telecommunications S.A. filed an appeal against the Court's decision, whose hearing date has been set after postponement for April 8, 2021.

**Employees' Claims:** OTE's current employees and pensioners have filed a number of lawsuits against OTE with a wide variety of claims.

**Payphones Duties:** In the prior years, the Municipality of Thessaloniki based on municipal legislation, has charged OTE with duties and penalties of a total amount of approximately Euro 3.3 for the installation and operation of payphones within the common areas of its responsibility. These duties and penalties concern the period from 2001 until 2007 and from 2010 until 2013, while no duties and penalties have been charged for the years 2008 and 2009. OTE disputed the above assessments and filed appeals before the competent administrative Courts, while prepaying the 40% of the previously mentioned duties and penalties, which constitutes a refundable amount in the event of a favorable judicial outcome for OTE. Currently the hearing of these appeals is still pending with some judicial decisions rejecting OTE claims, mainly in respect of years prior to year 2006, due to the fact that specific telecommunication legislation for rights of way had not been issued at the time. However, some judicial decisions in favor of OTE have also been issued. Finally, the hearing of a number of the abovementioned disputes in front of the Supreme Administrative Court is still pending.

**FASMA ADVERTISING TECHNICAL AND COMMERCIAL S.A.:** FASMA ADVERTISING TECHNICAL AND COMMERCIAL S.A. filed a lawsuit against OTE before the Athens Multimember Court of First Instance, claiming an aggregate amount of Euro 8.7 plus interest for breach of contract. The hearing by the Court, was scheduled for October 23, 2008, when the case was heard and a decision was issued rejecting the lawsuit. FASMA ADVERTISING TECHNICAL AND COMMERCIAL S.A. appealed against this decision, whose hearing took place on May 17, 2012. The Athens Court of Appeals issued its decision rejecting the appeal definitely. Against this decision, FASMA ADVERTISING, TECHNICAL AND COMMERCIAL SA filed an appeal before the Supreme Court. The case was heard on December 2, 2019 and the Supreme Court, rejected the appeal.

**KONSTANTZA S.A.:** KONSTANTZA S.A. has filed three claims against OTE before the Athens Court of First Instance alleging an amount of Euro 2.7 plus interest in total. The hearing for all these claims had been scheduled for May 21, 2015, nevertheless was annulled due to the fact that the other party did not appear before the Court. The penal part of the case is still pending.

**FLT HELLAS METAFORIKH S.A.:** FLT HELLAS METAFORIKH S.A. filed a lawsuit against OTE before the Multimember Court of First Instance claiming an amount of Euro 12.4 plus interest for alleged damages caused by OTE from breach of contract and reputational damage. The Court rejected the claim. FLT HELLAS METAFORIKH S.A. appealed against that decision. The case was heard on September 28, 2017 and a decision was issued, which dismissed the lawsuit as indeterminate. On October 18, 2018, FLT HELLAS METAFORIKH S.A. filed a new lawsuit with the same demands. The hearing took place on December 3, 2020 and the decision is pending.

**Fines of HTPC against OTE (over Euro 0.5):** HTPC has imposed various fines against OTE (an initial amount Euro 18.8 reduced through appeals to an amount of Euro 9.9) with a wide variety of thematic claims, as part of the Company's routine activity. OTE has appealed for the annulment of these fines.

On April 16, 2014, WIND had filed a complaint to HTPC against CYTA, OTE and COSMOTE upon the implementation by the said companies of telecommunications legislation in respect of the maintenance of the Registry provided for in Article 11 of Law 3471/2016. On November 16, 2016, a call to a hearing was notified to COSMOTE and OTE. HTPC referred the case to the Hellenic Data Protection Authority ("DPA"). On March 16, 2016, the PDPA issued a decision, according to which, inter alia: a) it ruled that the companies OTE and COSMOTE did not apply and still continue not to apply properly the provision of article 11, paragraph 2 of Law 3471/2006, b) launched the administrative sanction of a warning to OTE and COSMOTE, in order to amend the subscriber Registry registration process that these companies follow. In addition, PDPA forwarded the case file to HTPC. In the meantime FORTHNET and MEDIATEL submitted similar complaints against OTE and COSMOTE before HTPC. VODAFONE intervened in the proceedings against OTE and COSMOTE. The hearing was held on February 21, 2017 and a memorandum and additional information was submitted. Due to a change in the composition of HTPC, HTPC invited the parties to a new repeat hearing on July 18, 2018, when it was held. The decision is pending.

WIND, VODAFONE, CYTA, NEWSPHONE and FORTHNET have been filed against the decisions of HTPC concerning the allocation of the net cost of universal service for the years 2010 and 2011. With these decisions of HTPC, the total cost for the universal service has been determined for the year 2010 at an amount of Euro 24.8 (Euro 15.8 relates to OTE) and for the year 2011 at an amount of Euro 22.0 (Euro 14.0 relates to OTE). OTE intervened in favor of the validity of HTPC's decisions in the abovementioned pending trials, whose hearing took place on June 12, 2020 and the decision is pending.

## COSMOTE

**Unauthorized file export from COSMOTE's system:** On September 8, 2020 an unauthorized file export from COSMOTE's system was detected, as a result of a cyber-attack. The file contained data on the calls made or received by mobile subscribers during the five-day period between September 1, and September 5, 2020, namely: phone number, day and time and duration of the call. The file also included device model, IMSI, age, gender, ARPU, cell tower coordinates and tariff plan. The aforementioned data are used by the company for network and customer service optimization. The file did not contain call content (speech) or content of messages, names, addresses, passwords, credit card or other banking data information. The company immediately blocked the unauthorized access, took all necessary measures and informed the competent Authorities from the very first moment as provided by the law. Until today, there has been no indication whatsoever with regard to publishing or other abuse of the data in the illegally retrieved file. The affected persons were notified about the incident at October 14, 2020, after consulting the Authorities, as there no longer was any serious risk to the investigation. The notification took place through public announcement in the main corporate web page, together with press release that was sent to more than 100 radio and TV stations of nationwide broadcasting, digital media and media groups. Furthermore, on October 16, 2020 COSMOTE also pressed criminal charges before the Public Prosecutor against unknown offender(s). Following that, a preliminary criminal investigation has been initiated by the Cyber Crime Unit of the Hellenic Police. Meanwhile, Hellenic Authority for Communication Security and Privacy (ADAE) and Hellenic Data Protection Authority ("DPA") have initiated an audit related to the issues falling within their competences. COSMOTE is in continuous cooperation with the competent authorities. Hearings before ADAE and DPA are expected within the first quarter of 2021.

**Fines of HTPC against COSMOTE (over Euro 0.5):** HTPC has imposed various fines against COSMOTE (an initial amount Euro 7.2 reduced through appeals to an amount of Euro 3.1) with a wide variety of thematic claims, as part of the Company's routine activity. COSMOTE has appealed for the annulment of these fines.

On July 20 2016, HTPC notified COSMOTE about a complaint filed by WIND, against COSMOTE and VODAFONE, for alleged violation of Competition Law, relating to retail prices for calls terminating to their subsidiaries in Albania, for the period from February 2012 and up to this day and alleged violation of article 26, of law 3728/2008 regarding intragroup transactions. COSMOTE submitted to HTPC a memorandum with the requested data and its views on the complaint. HTPC invited COSMOTE, VODAFONE and WIND to a hearing, which took place on September 28, 2017. After the hearing, the parties were requested to submit a written memorandum and additional information. COSMOTE submitted the requested information. Due to a change in the composition of HTPC, HTPC invited the parties to a new repeat hearing on June 4, 2018, when it was held. The decision is pending.

**Albania Telecom Invest AD:** Under the terms of the Share Purchase Agreement for the sale of TELEKOM ALBANIA to the bulgarian company, Albania Telecom Invest AD, the consideration paid would be adjusted based on adjustments in working capital and net debt of TELEKOM ALBANIA as of April 30, 2019. On July 15, 2019, Albania Telecom Invest AD informed COSMOTE of the adjustments made to the working capital and net debt of TELEKOM ALBANIA, as a result of which a refund was claimed equal to Euro 4.3.

On September 30, 2020 COSMOTE and Albania Telecom Invest AD signed a settlement according to which they agreed the zeroing of the Initial Price Adjustment, the expiration of the contract as well as any claims arising from this contract (except for Core Fundamental Warranties) and the Right of First Refusal and, finally, a 10% discount on the services offered by COSMOTE to TELEKOM ALBANIA in the context of the Amended and Restated Service Agreement.

## GERMANOS

GERMANOS is a party, to certain lawsuits filed by former franchisees (franchisees of the GERMANOS chain of stores and its agents) regarding the issues of these partnerships as well as for other cases with a total amount of Euro 22.0. The hearings of these cases are scheduled until 2021.

In 2017 a former franchisee of the chain GERMANOS stores and a close related to him person, filed lawsuits against GERMANOS and COSMOTE of a total amount of Euro 32.5, out of which an amount of Euro 5.0 related to material and consequential damage for alleged breach of competition law, unconventional behaviour under the commercial cooperation and tort and an amount of Euro 27.5 related to non-material damage. The hearing took place on February 8, 2018 and the Court decision which was issued, rejected one of the filed lawsuits, accepted the other with regard to claims stemming from the commercial cooperation and awarded to the former franchisee the amount of Euro 60.000 (in absolute amount) plus interest. Against this decision an appeal was filled by the opponent.

**HELLENIC COMPETITION COMMISSION ("HCC"):** On December 30, 2014, HCC imposed a fine of Euro 10.3 to GERMANOS for breaching Article 1 of Law 3959/2011 and Article 101 of Treaty on the Functioning of the EU, during period 1990 to 2012, in relation to the franchise system GERMANOS and the related contracts with franchisees. GERMANOS appealed to the Administrative Court of Appeal of Athens for the annulment of the decision. The Administrative Court of Appeal partially upheld the appeal and annulled the decision of the HCC regarding the fine, because the fine was imposed cumulatively and not calculated individual for each infringement, and reverted the case to the HCC in order to calculate the fine separately for each infringement. GERMANOS raised an appeal before the Council of State whose hearing was scheduled, following postponements for September 25, 2019, whereupon the Court referred the hearing of the case in front of another Section of the Council of State. The hearing date, following postponements, has been set for May 10, 2021. In October 2016, GERMANOS was informed of the new decision of the HCC which imposed a fine separately for each violation, namely an amount of Euro 6.2 for designation of resale prices, an amount of Euro 3.1 for prohibition of cross-supplies between distributors - franchisees and an amount of Euro 1.0 for imposing non-competition clause after the expiration of the contracts (in total an amount of Euro 10.3). Against the above decision of the HCC, GERMANOS appealed to the Athens Administrative Court of Appeals and the hearing is determined following postponements, to May 18, 2021.

## TELEKOM ROMANIA

TELEKOM ROMANIA was subject to a tax inspection in relation to local taxes (land and buildings tax, vehicle tax, publicity tax), covering the years 2010 to 2016. The tax authorities concluded that TELEKOM ROMANIA owes additional taxes in this respect. After preliminary Court rulings in favour of TELEKOM ROMANIA, at the final hearing in March 2020, the Court decided in favour of the tax authorities. As a result, an amount of Euro 7.5 concerning tax penalties and an amount of Euro 9.2 concerning interest penalties were recognized in the consolidated income statement and are included in the line "Profit / (loss) from discontinued operations". The amount related to tax penalties was paid in May 2020 while interest penalties will be paid via a

24 monthly installments repayment schedule. In December 2020 the penalties were decreased by Euro 2.9 and the repayment schedule was adjusted accordingly.

## CRIMINAL PROCEEDINGS

### OTE

**SIEMENS case.** Within the framework of the ongoing criminal proceedings for the SIEMENS case in Greece [allegations for criminal offenses in respect of the conclusion of the Framework Agreement 8002/1997 with SIEMENS S.A. and Siemens Teleindustries S.A. (now UNIFY S.A.) for the digitalization of the network of OTE] the Five Member Athens Court of Criminal Appeals, issued its decision, according to which a former Minister of Transportation and Communication, was convicted to 5 years imprisonment for the crime of money laundering from criminal activity committed repeatedly and as a profession, i.e. the laundering of money obtained from passive bribery committed. The Court decided that the penalty will be bailed out and the former minister will pay the total amount of Euro 140,000 (absolute amount) in 32 installments. A former SIEMENS employee (also being a defendant in the below second case) has been convicted to 11 years of imprisonment for the crime of bribery and money laundering. The penalty was suspended because he filed an appeal before the Supreme Court.

Although OTE was not a civil party in the appeal trial, the Court decided that the amount of Euro 230,000 (absolute amount) in the former minister's bank account that had been freezed, will be paid to OTE (after the issuance of the decision of the Supreme Court).

Furthermore, the trial of 64 in total, defendants (including 14 former executives of OTE for the crime of passive bribery and the crime of money laundering) that has already started on November 27, 2015 before the Three Member Athens Court of Criminal Appeals is concluded. OTE participated in the trial as a civil party requesting compensation for moral damages suffered as a result of the abovementioned offenses.

According to the provisions of the new Penal Code, being in effect from July, 1, 2019, the Court on November 19, 2019 and on December 2, 2019, decided the following:

The criminal prosecution ceased for all the defendants due to the statute of limitation, with regard to the crimes of active and passive bribery and for participation to active and passive bribery.

Furthermore, according to the Court's decision, with regard to defendants - former OTE executives/employees:

- six of the defendants were found guilty for money laundering (convicted to 10-15 years of imprisonment),
- for five of the defendants, the criminal prosecution ceased due to the statute of limitations additionally for the crime of money laundering,
- for two of the defendants, the criminal prosecution ceased due to death and finally,
- one of the defendants was found innocent.

OTE has also filed a lawsuit for damages before German Courts and the case is still pending.

## B. COMMITMENTS

### Capital commitments

Capital commitments for the acquisition of property, plant and equipment and intangible assets are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Up to 1 year	111.7	119.4	69.6	69.5
1 to 5 years	27.3	8.7	27.3	7.1
<b>TOTAL</b>	<b>139.0</b>	<b>128.1</b>	<b>96.9</b>	<b>76.6</b>



Other operating commitments

Other operating commitments for repair and maintenance services and other services are analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Up to 1 year	249.2	290.5	195.6	148.9
1 to 5 years	35.6	115.3	40.6	89.3
over 5 years	29.5	34.2	31.9	36.3
<b>TOTAL</b>	<b>314.3</b>	<b>440.0</b>	<b>268.1</b>	<b>274.5</b>

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value and fair value hierarchy

The Group 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 which have a significant effect on the recorded fair value that 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 tables compare the carrying amount of the Group's and the Company's financial instruments that are carried at amortized cost to their fair value:

GROUP	Carrying Amount		Fair value	
	2020	2019	2020	2019
<b>Financial Assets</b>				
Trade receivables	433.1	592.5	433.1	592.5
Loans to pension funds	79.3	82.9	115.8	117.7
Loans and advances to employees	37.3	54.2	37.3	54.2
Guarantees	7.2	6.4	7.2	6.4
Guaranteed receipt from Grantor (Financial asset model)	4.2	12.2	4.2	12.2
Restricted cash	2.3	2.3	2.3	2.3
Cash and cash equivalents	516.2	1,058.3	516.2	1,058.3
<b>Financial Liabilities</b>				
Long-term borrowings	974.8	996.4	1,019.3	1,031.0
Short-term borrowings	205.9	8.9	206.9	8.9
Short-term portion of long-term borrowings	23.1	707.5	24.4	722.2
Lease liabilities	351.8	397.4	351.8	397.4
Trade accounts payable	719.8	936.0	719.8	936.0
Interest payable	8.1	18.6	8.1	18.6
Liability for TV broadcasting rights (long-term)	83.2	29.8	83.2	29.8

COMPANY	Carrying Amount		Fair value	
	2020	2019	2020	2019
<b>Financial Assets</b>				
Trade receivables	250.4	282.3	250.4	282.3
Loans to pension funds	79.3	82.9	115.8	117.7
Loans and advances to employees	35.8	52.2	35.8	52.2
Guarantees	0.5	0.5	0.5	0.5
Other receivables from related parties	158.0	88.4	158.0	88.4
Loans to group companies	14.5	14.7	17.1	17.3
Cash and cash equivalents	105.5	560.6	105.5	560.6
<b>Financial Liabilities</b>				
Long-term borrowings	894.1	892.5	935.4	927.9
Short-term borrowings	270.8	-	272.2	-
Short-term portion of long-term borrowings	-	743.8	-	759.1
Lease liabilities	240.1	270.2	240.1	270.2
Trade accounts payable	371.5	425.0	371.5	425.0
Interest payable	7.4	17.9	7.4	17.9
Liability for TV broadcasting rights (long-term)	83.2	29.3	83.2	29.3

The fair values of loans to pension funds, loans to group companies, long-term borrowings, short-term borrowings and short-term portion of long-term borrowings are based on either quoted (unadjusted) prices or on cash flows discounted using either direct or indirect observable inputs. The fair value of the remaining financial assets and financial liabilities approximate their carrying amounts.

As at December 31, 2020, the Group and the Company held the following financial instruments measured at fair value:

GROUP	Fair value		Fair value hierarchy
	2020	2019	
<b>Financial Assets</b>			
Investments in mutual funds	4.7	4.7	Level 1
Investments in mutual funds	0.7	1.0	Level 3

COMPANY	Fair value		Fair value hierarchy
	2020	2019	
<b>Financial Assets</b>			
Investments in mutual funds	2.8	2.8	Level 1

## FINANCIAL RISK MANAGEMENT

### Macroeconomic conditions in Greece

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

### Risk from the coronavirus (COVID-19) outbreak

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

The extent to which the health crisis will weigh on the Group's operations in the forthcoming period will largely depend on future developments and policy responses to the pandemic. Probable prolongation of mobility restrictions will continue to affect the Group's business performance, with regard to revenues from telecommunications services, its ability to collect receivables and its supply chain. In addition, the pandemic is expected to have a significant impact on global growth, and on Greece's economy, largely dependent on tourism.

The year 2020 has been impacted by the COVID-19 pandemic on some of the revenue lines, particularly in mobile and TV services, since drastic restrictions on travel are affecting revenue streams both directly, through lower roaming, and indirectly, through its effect on the many businesses dependent on tourism.

Management is closely monitoring the situation and its potential impact on the Group's activities. The Group follows the guidance and decisions of all relevant agencies and adheres to the requirements and actions endorsed by the Greek authorities. In addition, business-continuity and risk-containment strategies are proactively executed in order to mitigate any potential adverse impact of the crisis on the operations and financial conditions.

#### 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 Group and 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 Group and the Company are exposed in respect of the relevant assets.

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

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Group and 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 Group and the Company. For this category the Group and the Company assess the credit risk following the established policies and procedures and recognizes the appropriate provision for impairment.

The Group and the Company have 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.

Taking into consideration the impact of COVID-19, the Group and the Company have incorporated in the provision for expected credit losses the increase in credit risk for customers whose business is negatively affected and for those whose payment profile indicated a greater risk.

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

Loans include loans to employees, which are collected either through the payroll or are netted-off with their retirement indemnities, and loans to the pension fund related to prior years voluntary leave schemes. The latter loans are exposed to credit risk related to the debt servicing capacity of the pension fund.

#### Impairment of financial assets

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

- Trade receivables
- Contract assets
- Lease receivables
- Loans to group companies
- Loans to pension funds
- Loans and advances to employees
- Other financial assets.

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

The Group 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 following tables demonstrate the credit risk exposure on gross carrying amount of trade receivables and contract assets for the Group and the Company:

<b>GROUP (simplified approach)</b>				
<b>December 31,2020</b>	<b>Performing</b>	<b>Underperforming</b>	<b>Non-Performing</b>	<b>Total</b>
Trade receivables	477.1	71.0	697.3	<b>1,245.4</b>
Contract assets	28.7	-	6.5	<b>35.2</b>
<b>TOTAL</b>	<b>505.8</b>	<b>71.0</b>	<b>703.8</b>	<b>1,280.6</b>

<b>GROUP (simplified approach)</b>				
<b>December 31,2019</b>	<b>Performing</b>	<b>Underperforming</b>	<b>Non-Performing</b>	<b>Total</b>
Trade receivables	595.9	111.5	840.3	<b>1,547.7</b>
Contract assets	37.8	-	7.1	<b>44.9</b>
<b>TOTAL</b>	<b>633.7</b>	<b>111.5</b>	<b>847.4</b>	<b>1,592.6</b>

In the year 2020, the balances related to TELEKOM ROMANIA have been transferred to disposal group classified as held for sale.

<b>COMPANY (simplified approach)</b>				
<b>December 31,2020</b>	<b>Performing</b>	<b>Underperforming</b>	<b>Non-Performing</b>	<b>Total</b>
Trade receivables	284.3	29.5	364.5	<b>678.3</b>
Contract assets	0.4	-	-	<b>0.4</b>
<b>TOTAL</b>	<b>284.7</b>	<b>29.5</b>	<b>364.5</b>	<b>678.7</b>

<b>COMPANY (simplified approach)</b>				
<b>December 31,2019</b>	<b>Performing</b>	<b>Underperforming</b>	<b>Non-Performing</b>	<b>Total</b>
Trade receivables	303.1	32.1	472.7	<b>807.9</b>
Contract assets	1.4	-	0.1	<b>1.5</b>
<b>TOTAL</b>	<b>304.5</b>	<b>32.1</b>	<b>472.8</b>	<b>809.4</b>

Trade receivables balances as of December 31, 2020 are stated after the write-offs of Euro 151.2 (out of which Euro 3.6 related to discontinued operations) for the Group and Euro 125.2 for the Company, respectively.

The major part of the outstanding balance of lease receivables for the Group and the Company are considered as performing.

The remaining financial assets of the Group are considered to have low credit risk, therefore the Group 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.

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.

The split of trade receivables and contract assets within the above categories and the assessment of whether there has been an increase in credit risk on a Group level is assessed based on each Group entity's best estimates taking into account its specific facts and circumstances.

#### b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as they fall due. Liquidity risk is kept at low levels by ensuring that there is sufficient cash on demand and / or credit facilities to meet the financial obligations falling due in the next 12 months. The Group's and the Company's cash and cash equivalents and other financial assets as at December 31, 2020 amount to Euro 521.6 and Euro 108.3 respectively and their short-term borrowings and their short-term portion of long-term borrowings amount to Euro 229.0 and Euro 270.8, respectively.

For the monitoring of the liquidity risk, the Group 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 Group and the Company is as follows:

<b>GROUP</b>					
<b>December 31, 2020</b>	<b>Less than 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Global Medium-Term Note Programme	215.8	413.9	13.1	504.4	1,147.2
Bank loan (EIB) COSMOTE	25.8	25.2	60.1	-	111.1
NBG/Alpha - credit line	0.6	0.6	-	-	1.2
TELEKOM ROMANIA MOBILE credit facility	5.9	-	-	-	5.9
Lease liabilities	76.4	67.7	118.0	219.1	481.2
Trade accounts payable and long-term liability for TV broadcasting rights	719.8	31.9	56.0	-	807.7
<b>TOTAL</b>	<b>1,044.3</b>	<b>539.3</b>	<b>247.2</b>	<b>723.5</b>	<b>2,554.3</b>
<b>December 31, 2019</b>	<b>Less than 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Global Medium-Term Note Programme	721.8	13.9	422.6	508.8	1,667.1
Bank loan (EIB) COSMOTE	26.5	25.8	73.6	11.7	137.6
TELEKOM ROMANIA credit facility	4.5	-	-	-	4.5
TELEKOM ROMANIA MOBILE credit facility	5.7	-	-	-	5.7
Lease liabilities	79.5	64.0	144.6	251.6	539.7
Trade accounts payable and long-term liability for TV broadcasting rights	936.0	30.1	1.7	-	967.8
<b>TOTAL</b>	<b>1,774.0</b>	<b>133.8</b>	<b>642.5</b>	<b>772.1</b>	<b>3,322.4</b>

#### Guarantees

OTE has guaranteed the borrowings of its subsidiary, OTE PLC as follows:

As of December 31, 2020: Euro 1,176.4

As of December 31, 2019: Euro 1,646.8.

<b>COMPANY</b>					
<b>December 31, 2020</b>	<b>Less than 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 Years</b>	<b>Total</b>
Intragroup loans (OTE PLC)	287.8	414.4	13.6	504.5	1,220.3
NBG/Alpha - credit line	0.6	0.6	-	-	1.2
Lease liabilities	53.1	42.8	117.5	55.3	268.7
Trade accounts payable and long-term liability for TV broadcasting rights	371.5	31.9	56.0	-	459.4
<b>TOTAL</b>	<b>713.0</b>	<b>489.7</b>	<b>187.1</b>	<b>559.8</b>	<b>1,949.6</b>
<b>December 31, 2019</b>	<b>Less than 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 Years</b>	<b>Total</b>
Intragroup loans (OTE PLC)	784.1	14.3	423.4	509.1	1,730.9
Lease liabilities	56.1	51.7	123.2	93.9	324.9
Trade accounts payable and long-term liability for TV broadcasting rights	425.0	29.6	1.7	-	456.3
<b>TOTAL</b>	<b>1,265.2</b>	<b>95.6</b>	<b>548.3</b>	<b>603.0</b>	<b>2,512.1</b>

#### c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will result in fluctuations of the value of the Group's and the Company's financial instruments. The objective of market risk management is to manage and control exposure within acceptable levels.

The individual risks that comprise market risk and the Group's and the Company's policies for managing them are described below:

#### 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.

As of December 31, 2020, the ratio of fixed-rate borrowings to floating-rate borrowings for the Group was 99.5%/0.5% (2019: 99.4%/0.6%). The analysis of borrowings by type of the interest rate is as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Floating interest rate	5.9	10.1	-	-
Fixed interest rate	1,197.9	1,702.7	1,164.9	1,636.3
<b>TOTAL</b>	<b>1,203.8</b>	<b>1,712.8</b>	<b>1,164.9</b>	<b>1,636.3</b>

The following table demonstrates the sensitivity to a change in interest rates on loans and deposits to the income statement. If interest rates were to increase by 1.0%, the impact would be:

	GROUP		COMPANY	
	2020	2019	2020	2019
Effect on profit before tax	1.2	2.6	0.3	1.4

If interest rates were to decrease by 1.0%, the impact would be:

	GROUP		COMPANY	
	2020	2019	2020	2019
Effect on profit before tax	(1.2)	(2.6)	(0.3)	(1.4)

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

- The Group currently has only floating rate loans in Ron. It is considered an 1.0% increase and decrease in ROBOR.
- Interest income is assumed to increase / decrease by 25.0% of the respective nominal interest rate change.

Therefore a 1.0% increase in interest rates is assumed to increase interest income by only 0.25% and similarly a 1.0% decrease in rates is assumed to reduce interest income by only 0.25%.

#### ii. Foreign currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. The Group operates in Southeastern Europe and as a result is exposed to currency risk due to changes between the functional currencies and other currencies. The main currencies within the Group are the Euro and the Ron (Romania).

The Group monitors and possesses adequate foreign currency reserves to minimize exposures affecting cash flows. Foreign currency risks that do not affect the Group's cash flows (i.e. the risks resulting from the translation of foreign operations financial statements into the Group's reporting currency) are generally not hedged.

The following table demonstrates the sensitivity to a reasonably possible change in the functional currency exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities):

Change in functional currency exchange rate against Euro	Effect on profit before tax	
	2020	2019
-10%	4.0	4.9
10%	(4.0)	(4.9)

#### Capital Management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business plans and maximize shareholder value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

An important means of managing capital is the use of the gearing ratio (ratio of net debt to equity) which is monitored at Group and Company level. Net debt includes interest bearing loans and notes, as well as long-term and short-term lease liabilities (following IFRS 16 adoption as of January 01, 2019), less cash and cash equivalents.

GROUP	December 31	
	2020	2019
Long-term borrowings	974.8	996.4
Short-term borrowings	205.9	8.9
Short-term portion of long-term borrowings	23.1	707.5
Lease liabilities (long-term portion)	290.6	334.5
Lease liabilities (short-term portion)	61.2	62.9
Cash and cash equivalents	(516.2)	(1,058.3)
<b>Net debt</b>	<b>1,039.4</b>	<b>1,051.9</b>
Total equity	2,139.8	2,183.1
<b>Gearing ratio</b>	<b>0.49x</b>	<b>0.48x</b>

COMPANY	December 31	
	2020	2019
Long-term borrowings	894.1	892.5
Short-term borrowings	270.8	-
Short-term portion of long-term borrowings	-	743.8
Lease liabilities (long-term portion)	195.3	227.9
Lease liabilities (short-term portion)	44.8	42.3
Cash and cash equivalents	(105.5)	(560.6)
<b>Net debt</b>	<b>1,299.5</b>	<b>1,345.9</b>
Total equity	3,259.2	3,154.6
<b>Gearing ratio</b>	<b>0.40x</b>	<b>0.43x</b>

### 31. RECLASSIFICATIONS

In the separate income statement of the year 2019, an amount of Euro 14.1, has been reclassified from “Other sundry operating expenses” to “Merchandise costs” for better presentation.

### 32. AUDIT AND OTHER FEES

Audit and other fees concerning the PricewaterhouseCoopers network, are analyzed as follows:

(Absolute amounts)	GROUP		COMPANY	
	2020	2019	2020	2019
Fees for auditing services	2,088,015	2,116,600	528,000	530,000
Audit fees for the Tax Certificate	670,000	655,500	271,000	268,000
Other assurance services	116,000	171,000	91,000	75,000
Other fees	93,596	52,500	73,096	51,000
<b>Total fees</b>	<b>2,967,611</b>	<b>2,995,600</b>	<b>963,096</b>	<b>924,000</b>

Specifically, audit and other fees to PricewaterhouseCoopers S.A. (PricewaterhouseCoopers Greece and not to the other PricewaterhouseCoopers network offices) are analyzed as follows:

(Absolute amounts)	PricewaterhouseCoopers S.A - Greece	
	2020	2019
Fees for auditing services	1,049,000	1,040,000
Audit fees for the Tax Certificate	670,000	655,500
Other assurance services	116,000	138,500
Other fees	92,096	51,000
<b>Total fees</b>	<b>1,927,096</b>	<b>1,885,000</b>

### 33. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after December 31, 2020 are as follows:

#### Agreement for the spin-off of the business sectors Customer Service, Shops and Technical Field Operations

On December 4, 2020 the Extraordinary General Meetings of Shareholders of OTE and COSMOTE approved the Draft Demergers Agreement through spin-off of the business sectors of Customer Service, Shops and Technical Field Operations and their absorption by the Group's Subsidiaries COSMOTE E-VALUE, GERMANOS and CTS (former "OTE PLUS"), respectively.

The spin-off procedure has been completed on January 4, 2021 upon registration in the Greek General Commercial Registry (Γ.Ε.ΜΗ.).

#### OTE

##### Cancellation of Own Shares

Within the framework of the Share Repurchase Program approved by the General Meeting of Shareholders on February 20, 2020 and specifically during the period from March 4, 2020 to October 31, 2020, 9,965,956 owned shares were acquired by the Company. The Extraordinary General Meeting of Shareholders of December 4, 2020, approved the cancellation of the above treasury shares, together with corresponding reduction of the Company's share capital by Euro 28.2 and corresponding amendment of its Articles of Incorporation.

On January 12, 2021, following notification to the Corporate Actions Committee of the Athens Stock Exchange and the completion of other legal and regulatory procedures, the aforementioned 9,965,956 shares were cancelled and delisted from the Athens Stock Exchange effective from January 15, 2021.

Within the framework of the Share Repurchase Program and specifically during the period from March 4, 2020 to January 28, 2021, 11,387,932 treasury shares were acquired, out of which 561,543 were acquired during the period from January 1, 2021 to January 28, 2021.

#### COSMOTE

##### Payment of principal installment under the Euro 150.0 term loan with European Investment Bank (EIB)

On January 25, 2021, COSMOTE paid principal installment of Euro 11.5 under the term loan with EIB, along with the accrued interest.

## V. FINANCIAL DATA AND INFORMATION



# HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Greek General Commercial Registry ("F.E.M.H.") 001037501000

REGISTERED OFFICE: 99 KIFISSIAS AVE - 15124 MAROUSSI, ATHENS

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2020 TO DECEMBER 31, 2020

The purpose of the following information and financial data is to provide users with general financial information about the financial position and the results of operations of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A ("Company") and the OTE Group ("Group"). Therefore, we recommend the users of the financial data and information, before making any investment decision or proceeding to any transaction with the Group or the Company, to obtain the necessary information from the website, where the consolidated and separate financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the E.U., are available, together with the auditors' report, when required.

Company's Web Site : [www.cosmote.gr](http://www.cosmote.gr)

Date of approval of financial statements from the Board of Directors: February 25, 2021

The Certified Auditor: Fotis Smitis (RN ICA(GR): 52861)

Auditing Company : PricewaterhouseCoopers S.A. Certified Auditors - Accountants (SOEL REG: No 113)

Type of Auditor's Opinion : Unqualified

Composition of the Board of Directors:

1. Michael Tsamaz, Chairman and Managing Director, Executive Member
2. Eelco Blok, Vice-Chairman, Independent Non-Executive Member
3. Robert Hauber, Non - Executive Member
4. Dominique Leroy, Non - Executive Member
5. Kyra Orth, Non - Executive Member
6. Michael Wilkens, Non - Executive Member
7. Charalampos Mazarakis, Executive Member
8. Vasilios Vassalos, Non - Executive Member
9. Dimitrios Georgoutsos, Independent Non - Executive Member

DATA FROM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro					STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro				
	GROUP		COMPANY			GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019		01.01-31.12.2020	01.01-31.12.2019	01.01-31.12.2020	01.01-31.12.2019
<b>ASSETS</b>					<b>Cash flows from operating activities</b>				
Property, plant and equipment	2,060.6	2,341.3	1,250.3	1,278.9	Profit before tax	283.1	409.4	481.0	706.5
Right-of-use assets	362.1	418.6	235.5	270.4	Adjustments for:				
Intangible assets	1,145.6	1,128.1	284.8	211.7	Depreciation, amortization and impairment	833.2	804.5	363.0	365.5
Other non-current assets	536.7	490.9	3,419.4	3,571.2	Costs related to voluntary leave schemes	132.6	55.3	117.8	49.9
Inventories	26.9	51.3	7.6	8.6	Provision for staff retirement indemnities	3.0	4.7	1.7	3.8
Trade receivables	433.1	592.5	250.4	282.3	Provision for youth account	1.3	5.1	1.3	5.1
Other current assets	180.2	275.0	254.4	187.8	Foreign exchange differences, net	3.6	(15.1)	1.0	(11.1)
Cash and cash equivalents	516.2	1,058.3	105.5	560.6	Interest income	(1.7)	(2.8)	(2.2)	(6.3)
Assets of disposal group classified as held for sale	606.5	-	148.7	-	Dividend income	-	-	(331.0)	(1,159.2)
<b>TOTAL ASSETS</b>	<b>5,867.9</b>	<b>6,356.0</b>	<b>5,956.6</b>	<b>6,371.5</b>	(Gains) / losses from investments and other financial assets - Impairment	(9.8)	(27.6)	90.4	725.4
<b>EQUITY AND LIABILITIES</b>					Interest and related expenses	56.2	92.8	47.6	75.8
Share capital	1,330.6	1,358.2	1,330.6	1,358.2	Working capital adjustments:				
Other equity items	665.2	693.8	1,928.6	1,796.4	Decrease / (increase) in inventories	10.2	21.1	1.0	2.9
Equity attributable to shareholders of the parent (a)	1,995.8	2,052.0	3,259.2	3,154.6	Decrease / (increase) in receivables	54.5	16.4	35.1	(4.9)
Non-controlling interests (b)	144.0	131.1	-	-	(Decrease) / increase in liabilities (except borrowings)	51.3	(27.3)	(29.9)	(8.1)
<b>Total equity (c) = (a) + (b)</b>	<b>2,139.8</b>	<b>2,183.1</b>	<b>3,259.2</b>	<b>3,154.6</b>	Plus / (Minus):				
Long-term borrowings	974.8	996.4	894.1	892.5	Payment for voluntary leave schemes	(109.1)	(58.7)	(94.7)	(54.2)
Lease liabilities (long-term)	290.6	334.5	195.3	227.9	Payment of staff retirement indemnities and youth account, net of employees' contributions	(12.4)	(12.7)	(11.6)	(12.3)
Provisions / Other non-current liabilities	397.9	423.6	414.5	416.8	Interest and related expenses paid (except leases)	(46.7)	(73.9)	(43.7)	(61.1)
Short-term borrowings	229.0	716.4	270.8	743.8	Interest paid for leases	(19.0)	(20.3)	(13.4)	(15.6)
Lease liabilities (short-term)	61.2	62.9	44.8	42.3	Income tax paid	(88.2)	(145.6)	(74.6)	(100.9)
Other current liabilities	1,463.4	1,639.1	877.9	893.6	Net cash flows from operating activities of discontinued operations	105.8	127.5	-	-
Liabilities of disposal group classified as held for sale	311.2	-	-	-	<b>Net cash flows from operating activities (e)</b>	<b>1,247.9</b>	<b>1,152.8</b>	<b>538.8</b>	<b>612.2</b>
<b>Total liabilities (d)</b>	<b>3,728.1</b>	<b>4,172.9</b>	<b>2,697.4</b>	<b>3,216.9</b>	<b>Cash flows from investing activities</b>				
<b>TOTAL EQUITY AND LIABILITIES (e) + (d)</b>	<b>5,867.9</b>	<b>6,356.0</b>	<b>5,956.6</b>	<b>6,371.5</b>	Return of capital invested in subsidiary	-	-	0.4	120.6
					Investment in subsidiaries	-	(0.7)	(4.0)	(800.0)
					Sale or maturity of financial assets	0.3	0.1	-	-
					Repayment of loans receivable	7.2	7.2	7.2	7.2
					Loans granted to subsidiary	-	-	(6.0)	(270.0)
					Repayment of loans granted to subsidiary	-	-	6.2	270.0
					Purchase of property, plant and equipment and intangible assets	(667.8)	(546.7)	(338.9)	(343.5)
					Proceeds from disposal of subsidiaries / investments	-	-	28.2	-
					Movement in restricted cash	(0.1)	0.5	-	-
					Interest received	1.7	2.0	2.2	4.6
					Dividends received	-	-	260.7	1,078.6
					Net cash flows from investing activities of discontinued operations	(71.4)	(121.2)	-	-
					<b>Net cash flows from/ (used) in investing activities (b)</b>	<b>(730.1)</b>	<b>(830.6)</b>	<b>(72.2)</b>	<b>67.5</b>
					<b>Cash flows from financing activities</b>				
					Acquisition of treasury shares	(142.3)	(110.3)	(142.3)	(110.3)
					Proceeds from loans granted and issued	367.4	709.0	420.8	700.0
					Repayment of loans	(874.3)	(826.1)	(894.6)	(610.7)
					Lease repayments	(63.5)	(68.1)	(47.7)	(42.0)
					Dividends paid to Company's owners	(257.9)	(249.0)	(257.9)	(249.0)
					Net cash flows from financing activities of discontinued operations	(13.2)	(9.6)	-	-
					<b>Net cash flows used in financing activities (c)</b>	<b>(983.8)</b>	<b>(854.1)</b>	<b>(921.7)</b>	<b>(312.0)</b>
					<b>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b>(466.0)</b>	<b>(31.9)</b>	<b>(455.1)</b>	<b>267.7</b>
					<b>Cash and cash equivalents, at the beginning of the year</b>	<b>1,058.3</b>	<b>1,084.7</b>	<b>560.6</b>	<b>292.9</b>
					Net foreign exchange differences	(2.8)	(2.0)	-	-
					Cash and cash equivalents of disposal group classified as held for sale	(73.3)	7.5	-	-
					<b>Cash and cash equivalents, at the end of the year</b>	<b>516.2</b>	<b>1,058.3</b>	<b>105.5</b>	<b>560.6</b>

DATA FROM STATEMENTS OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro				
	GROUP		COMPANY	
	01.01-31.12.2020	01.01-31.12.2019	01.01-31.12.2020	01.01-31.12.2019
Total revenues	3,258.9	3,303.0	1,614.3	1,613.2
<b>Profit before taxes, investment and financial activities</b>	<b>331.4</b>	<b>456.7</b>	<b>286.8</b>	<b>342.1</b>
Profit before tax	283.1	409.4	481.0	706.5
<b>Profit for the year from continuing operations</b>	<b>237.2</b>	<b>317.1</b>	<b>512.1</b>	<b>636.0</b>
Profit / (loss) from discontinued operations	138.5	(274.2)	-	-
<b>Profit after tax (A)</b>	<b>375.7</b>	<b>42.9</b>	<b>512.1</b>	<b>636.0</b>
Attributable to:				
- Owners of the parent	359.9	205.1	512.1	635.0
- Non-controlling interests	15.8	(162.2)	-	-
<b>Other comprehensive income / (loss) after tax (B)</b>	<b>(17.0)</b>	<b>(70.5)</b>	<b>(6.5)</b>	<b>(9.4)</b>
<b>Total comprehensive income/ (loss) after tax (A) + (B)</b>	<b>358.7</b>	<b>(27.6)</b>	<b>505.6</b>	<b>626.6</b>
Attributable to:				
- Owners of the parent	345.8	140.4	506.6	625.6
- Non-controlling interests	12.9	(168.0)	-	-
<b>Basic earnings per share (in €) from continuing operations</b>	<b>0.5859</b>	<b>0.7070</b>	-	-
Proposed dividend per share (in €)	-	-	0.68	0.55
<b>Profit before taxes, investment, financial activities and depreciation, amortization and impairment</b>	<b>1,164.6</b>	<b>1,261.2</b>	<b>649.8</b>	<b>707.6</b>

DATA FROM STATEMENTS OF CHANGES IN EQUITY (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro				
	GROUP		COMPANY	
	2020	2019	2020	2019
<b>Total equity at the beginning of the year (01.01.2020 and 01.01.2019)</b>	<b>2,183.1</b>	<b>2,574.7</b>	<b>3,154.6</b>	<b>2,889.9</b>
<b>Impact of implementation of new IFRS's</b>	-	<b>(3.3)</b>	-	<b>(0.3)</b>
Total comprehensive income/ (loss) after tax	358.7	(27.6)	506.6	626.6
Dividend distribution	(258.6)	(250.0)	(258.6)	(249.6)
Net change of participation in subsidiaries	-	(0.7)	-	-
Acquisition of treasury shares	(143.2)	(110.3)	(143.2)	(110.3)
Share option plans	(0.2)	0.3	(0.2)	0.3
<b>Total equity at the end of the year (31.12.2020 and 31.12.2019)</b>	<b>2,139.8</b>	<b>2,183.1</b>	<b>3,259.2</b>	<b>3,154.6</b>

## ADDITIONAL DATA AND INFORMATION

- The companies which are included in the annual financial statements (consolidated and separate), their country, the Group's participating interest (direct and indirect) and the method of consolidation, are presented in Notes 1 and 9 of the financial statements.
- The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries and the results of the tax audits completed, are presented in Note 22 of the financial statements.
- The outcome of pending litigation and claims is not expected to have a material impact on the financial statements. The amount of provisions that have been established as of December 31, 2020 for litigations and other risks, as well as for unaudited tax years or pending tax cases are as follows: a) for the Group € 160.7 million and € 27.8 million, respectively and b) for the Company € 118.5 million and € 16.1 million, respectively. The most significant outstanding legal cases are presented in Note 29 of the financial statements.
- Number of employees at the end of the year: Group 16,291 (31.12.2019: 17,697), Company 7,211 (31.12.2019: 7,870).
- Other comprehensive income / (loss) after tax for the year 2020 which was recognized directly in equity for the Group, relates to actuarial losses of € (7.7) million (net of deferred taxes) and foreign currency translation of € (9.3) million. As for the Company, it relates to actuarial losses of € (5.5) million (net of deferred taxes).
- Effective February 6, 2009, the financial statements are included in the consolidated financial statements of DEUTSCHE TELEKOM AG (full consolidation method), which has its registered office in Germany and holds a 46.9% interest in OTE as of December 31, 2020.

- The Company's transactions with its related parties as defined in IAS 24, are analyzed as follows: Sales and purchases of goods and services for the year 2020, amounted to € 116.6 million and € 199.4 million, respectively. Other operating income for the year 2020 amounted to € 3.8 million. Finance income and expense for the year 2020 amounted to € 1.1 million and € 43.8 million respectively. Dividend income from related parties amounted to € 331.0 million. The outstanding balance of receivables and payables from / to related parties as of December 31, 2020 deriving from current transactions amounted to € 201.3 million and € 413.8 million, respectively. The outstanding balance of loans receivable from and payable to related parties amounted to € 14.8 million and € 1,172.1 million respectively. Fees to the members of the Board of Directors and the Company's key management personnel for the year 2020 amounted to € 10.2 million. At Group level, sales and purchases of goods and services between related parties which are not eliminated, for the year 2020 amounted to € 42.1 million and € 49.7 million, respectively. The outstanding balance of receivables and payables, resulting from operating transactions between related parties which are not eliminated, as of December 31, 2020 amounted to € 10.3 million and € 357.9 million, respectively.
- Basic earnings per share were calculated based on the weighted average number of shares outstanding.
- Reclassifications have been made for better presentation with no impact on the equity or the results of operations of the Group and the Company. These reclassifications are presented in Note 31 of the financial statements.
- Significant events after December 31, 2020 are disclosed in Note 33 of these financial statements.

Marousi, February 25, 2021

CHAIRMAN AND MANAGING DIRECTOR

BOARD MEMBER AND OTE GROUP CHIEF FINANCIAL OFFICER

EXECUTIVE DIRECTOR FINANCIAL OPERATIONS OTE GROUP

ACCOUNTING DIRECTOR

MICHAEL TSAMAZ  
I.D. Number AB 516222

CHARALAMPOS MAZARAKIS  
I.D. Number AE 098808  
License Number 0021943

GEORGE MAVRAKIS  
I.D. Number AN 023801

ANASTASIOS KAPENIS  
I.D. Number AK 618263  
License Number 0086190