HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

GROUP OF COMPANIES

SIX MONTHS FINANCIAL REPORT

For the period
from January 1, 2021 to June 30, 2021

(TRANSLATED FROM THE GREEK ORIGINAL)

In accordance with Article 5 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, Independent- Non Executive Member of the Board of Directors

3. Charalampos Mazarakis, Executive Board Member

We confirm that to the best of our knowledge:

a. The Interim Condensed Financial Statements (Consolidated and Separate) of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. for the period January 1, 2021 to June 30, 2021, 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 Company and of the companies included in the consolidation taken as a whole, in accordance with the provisions of paragraphs 3 to 5 of article 5 of L. 3556/2007.

b. The report of the Board of Directors for the first half of the year provides a true and fair view of the information required according to paragraph 6 of article 5 of L. 3556/2007, i.e. the significant events of the 1st half of the year and their impact on the six months financial statements, the development, performance and the financial position of the Company and the companies included in the consolidation taken as a whole, the description of the risks and uncertainties for the 2nd half of the year as well as the material transactions between the Company, its consolidated companies and other related parties.

Maroussi, August 4, 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 August 4, 2021.

II. HALF YEAR REPORT OF THE BOARD OF DIRECTORS

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The report of the Board of Directors of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (hereinafter referred to as "OTE" or the "Company") was prepared in accordance with article 5 of Law 3556/2007 as well as the relevant decisions of the Board of Directors of the Hellenic Capital Market Commission and refers to the Interim Condensed Financial Statements (Consolidated and Separate) as of June 30, 2021 and for the six month period 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 (I.F.R.S.), as adopted by the European Union (E.U.).

This report includes the financial assessment of the results of the period from January 1, 2021 to June 30, 2021, the outlook for the second half of 2021, the significant events which took place in the first half of 2021, a presentation of the main risks and uncertainties for the second half of the year, the significant transactions with the Group's and the Company's related parties and the significant events that took place after the end of the first half of 2021.

This report also refers to Alternative Performance Measures. For details on purpose and calculations refer to Alternative Performance Measures Section (Section G).

The interim OTE's Financial Statements (separate and consolidated), Auditor's Report on review of interim financial information and the half year report of the Board of Directors can be found on the following link:
https://www.cosmote.gr/cs/otegroup/en/oikonomikes_katastaseis_omilou_ote_kai_ae.html.

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

A. FINANCIAL HIGHLIGHTS FOR THE 1ST HALF OF 2021

Key financial figures:

OTE Group	1st Half 2021	1st Half 2020	Change
Revenues	1,615.4	1,563.4	+3.3%
Adjusted EBITDA (AL)	611.6	586.9	+4.2%
Margin (&)	*37.9%*	*37.5%*	*+0.4pp*

** Alternative Performance Measures: For details on purpose and calculations refer to Section G, Alternative Performance Measures Section*
Note: All figures adjusted to reflect only continuing operations; Telekom Romania (TKR) operations along with certain significant commercial transactions (MVNO agreement and handset sales) between TKR and Telekom Romania Mobile (TKRM) have been classified as held for sale and have been treated as discontinued operations.

OTE Group revenues totaled Euro 1,615.4 in the first half of 2021, up 3.3% compared to the first half of 2020, on positive growth momentum in Greece, where all revenue lines recorded positive performances.

Total Group Operating Expenses, excluding depreciation, amortization, impairment and charges related to voluntary leave schemes, other restructuring costs and non-recurring litigations amounted to Euro 965.9 in the first half of 2021, an increase of 2.6%, compared to the first half of 2020, partly reflecting higher device costs consistent with the large increase in the corresponding revenue line, as well as certain provisions and additional expenses related to the separation of Romanian mobile and fixed operations. The Group continued to deliver significant savings in personnel costs following the strategic transformation initiatives implemented in 2020.

In the first half of 2021, the Group's Adjusted EBITDA After Lease (AL) increased by 4.2% to Euro 611.6 driven by increased profitability in Greece.

The Group Operating profit before financial and investing activities in the first half of 2021 stood at Euro 318.8, compared to Euro 256.7 in the first half of 2020, an increase of 24.2% mainly reflecting the improved profitability in Greece.

Interest and related expenses stood at Euro 24.0, down 27.5%, mainly driven by the decreasing average cost of debt combined with lower debt levels.

The Group's income tax expense stood at Euro 120.1 in the first half of 2021, up 72.8% compared to the first half of 2020, mainly reflecting the negative impact of the reduction in corporate income tax rate from 24% to 22% on the deferred tax asset base, as well as the higher profitability in the first half of 2021.
Adjusted Profit from continuing operations (attributable to owners of the parent) stood at Euro 207.9 in the first half of 2021, compared to Euro 195.9 in the same period of 2020.

In the first half of 2021, Adjusted Free Cash Flow After Lease (AL) stood at Euro 325.6, up 13.6% compared to the same period of 2020, mainly reflecting Capex seasonality.

The Group's adjusted Net Debt was Euro 786.7 at June 30, 2021, down 23.9% from December 31, 2020. The Group's ratio of adjusted Net Debt to 12-month adjusted EBITDA stood at 0.6x. The Group's Adjusted Net Debt (excluding leases) stood at Euro 445.6 and the ratio of Adjusted Net Debt (excluding leases) to 12-month adjusted EBITDA (AL) was 0.4x.

GREECE

Financial Data	1st Half 2021	1st Half 2020	Change
Revenues	**1,475.7**	**1,399.1**	**+5.5%**
Retail Fixed Services	469.1	465.7	+0.7%
Mobile Service Revenues	455.5	440.1	+3.5%
Wholesale Services	282.5	276.2	+2.3%
Other Revenues	268.6	217.1	+23.7%
Adjusted EBITDA After Lease (AL)	**602.0**	**573.4**	**+5.0%**
Margin %	***40.8%***	***41.0%***	***-0.2pp***

Greece total revenues increased by 5.5% to Euro 1,475.7, as the country achieved revenue increases for three consecutive quarters. Solid performances in Broadband, Mobile, ICT and Handsets contributed to the resilience of the top line.

Fixed Retail Services revenues posted an increase of 0.7%, as Broadband revenues pursued their positive growth supported by the remarkable take up of fiber services. Mobile Service revenues in Greece were up 3.5% in the first half of 2021 reflecting the successful more for more strategy accompanied by easing travel restrictions as of mid May 2021, leading to roaming slowly picking up again. Revenues from wholesale business in Greece were up 2.3%, mainly due to international transit traffic and the increasing penetration of fiber services in the market.

Other revenues jumped 23.7% in the first half of 2021, driven by positive momentum both in the ICT and Handsets segment. Revenues from ICT increased by 11.5% as OTE leverages its experience in winning and delivering complex ICT projects, partnering with businesses and public institutions seeking advanced solutions in the fields of health, tourism, information security, energy, Data Centers, Cloud and Internet of Things. Handset revenues rose sharply, mainly reflecting the customers' switch to higher-value products as well as the government's initiative to subsidize tablet and laptop sales for students.

Operational Data (absolute amounts)	1st Half 2021	1st Half 2020	Change
Fixed lines access	2,699,457	2,670,242	+1.1%
Broadband subscribers	2,203,809	2,080,113	+5.9%
of which Fiber service	*1,056,210*	*840,383*	*+25.7%*
TV subscribers	578,851	563,197	+2.8%
Mobile Subscribers	6,987,941	7,208,393	-3.1%
Postpaid	*2,755,671*	*2,704,856*	*+1.9%*
Prepaid	*4,232,270*	*4,503,537*	*-6.0%*

In the first half of 2021, OTE added 58k Broadband customers to a total of 2,204k, while it continued to expand its fiber base, adding 111k subscribers to a total of 1,056k. The Company's successful speed-upgrade campaigns and investments, as well as accelerating demand for higher speeds, fueled the growth of OTE's fiber service.

Penetration of fiber broadband service increased by 8 percentage points year-on-year and as of June stood at 48% of fixed broadband as a result of the ongoing upgrades in the speed and quality of OTE's service.
Customers continue to switch to higher-speed FTTx offerings, and the share of subscribers using broadband speeds of 100Mbps or more has now reached 20% of all fiber connections, twice the proportion one year earlier.

OTE continues to expand its FTTH footprint as demand for high-speed services continues to expand. Having passed the 300k households milestone at 2020 year end, OTE reached 388k homes passed in the first half of the year and is on track to pass the

550k mark by the end of this year. Increasing availability of fiber services and steadily growing demand for faster speeds support the Group's long-term growth.

As of June 30, 2021, the total number of TV subscribers stood at 579k, an increase of 2.8% year on year, as OTE continues to leverage its new OTT platform and the attractiveness of its content portfolio.

In the first half of 2021, OTE's mobile customer base stood at 7.0mn customers, a 3.1% decrease compared to the year earlier level entirely due to the prepaid segment, while the postpaid segment continues to grow. This reflects the company's strategy to migrate prepaid subscribers to postpaid, by offering attractive entry-point postpaid data bundles.

Following the 5G launch immediately following the spectrum auction in late 2020, OTE is rapidly expanding the coverage of its 5G service and has already reached its initial target for the year. OTE now plans to provide 5G population coverage of 60% by the end of 2021 and coverage of the nationwide highway system by 2023, while continuing to promote data usage over its superior 4G/4G+ network. 5G coverage in the country's two biggest cities, Athens and Thessaloniki, has already exceeded 97% and 90% respectively. The Company has announced that its 3G network would be switched off by the end of 2021, in order to re-farm spectrum capacity and increase efficiencies of 4G and 5G networks. The Company will continue to focus on growth of data consumption and strengthen its competitive position going forward.

Romania

Financial Data	1st Half 2021	1st Half 2020	Change
Revenues	**151.9**	**175.5**	**-13.4%**
Mobile Service Revenues	109.3	117.4	-6.9%
Other Revenues	42.6	58.1	-26.7%
Adjusted EBITDA After Lease (AL)	**9.6**	**13.5**	**-28.9%**
Margin %	***6.3%***	***7.7%***	***-1.4pp***

Operational Data (absolute amounts)	1st Half 2021	1st Half 2020	Change
Mobile Subscribers	3,539,629	3,758,011	-5.8%
Postpaid	1,696,398	1,573,127	+7.8%
Prepaid	1,843,231	2,184,884	-15.6%

In Romania, total revenues reached Euro 151.9 in the first half of 2021, decreased by 13.4% compared to the same period of 2020, partly reflecting strong ICT performance last year, leading to a high base of comparison.

Mobile service revenues totaled Euro 109.3, down 6.9%, mainly due to a declining trend in the prepaid segment. The Company maintained its share of the prepaid market, which continues to shrink across the industry. The postpaid segment continued to grow, with the total number of postpaid subscribers rising for a fifth consecutive quarter.

The Company recorded Adjusted EBITDA After Leases (AL) of Euro 9.6, mainly reflecting costs associated with the Company's separation process while trends started to improve gradually in the second quarter of the year.

B. SIGNIFICANT EVENTS OF THE 1st HALF OF 2021

CORPORATE GOVERNANCE

In view of the provisions of L. 4706/2020 on corporate governance, coming into force as of July 17, 2021, OTE proceeded in all the necessary actions in order to comply with the relevant requirements (i.e approval of Suitability Policy for the members of the Board of Directors, Diversity, Equity and Inclusion Policy, Policy on the Evaluation of the Internal Control System and the application of the corporate governance provisions of L. 4706/2020, update of the OTE Regulation of Operations, update of the Regulations of Operations of the BoD and its Committees etc.), while at the same time it adopted the Hellenic Code of Corporate Governance (2021) in its operations.

SHAREHOLDERS REMUNERATION POLICY

On June 9, 2021, the Annual General Shareholder Meeting approved the distribution of a dividend of Euro 0.68 (in absolute amount) per share outstanding. The total dividend payout, i.e.Euro 313, represents 65% of the total amount allocated under the 2021 Shareholder Remuneration Policy. The remaining amount, i.e approximately Euro 167 or 35% of the total amount allocated under the 2021 Shareholder Remuneration Policy, has been allocated to the buyback of Company shares under the Share Buyback Program, as approved by the Extraordinary General Shareholder Meeting of February 20, 2020.

The dividend corresponding to treasury shares owned by the Company until the ex-dividend date in the context of Share Buyback Program increased the amount of the dividend paid to other shareholders.

CANCELLATION OF OWN SHARES AND SHARE BUYBACK PROGRAM

Under the 2020-2022 Program and particularly during the period between March 4, 2020 to January 28, 2021, the Company acquired a total of 11,387,932 own shares at an average price of Euro 12.20 (in absolute amount) per share. The Extraordinary General Shareholder Meeting of December 4, 2020 approved the cancellation of 9,965,956 own shares acquired during the period between March 4, 2020 to October 31, 2020.

These shares were canceled and delisted from the Athens Stock Exchange (ATHEX) on January 15, 2021, following completion of formalities.

The second year of the Program started on March 5, 2021 under which the Company intends to use approximately, i.e.Euro 167 to purchase own shares during the period March 5, 2021, to January 28, 2022. Specifically during the period between March 5, 2021 and June 30, 2021, 4,062,424 own shares were acquired at an average price of Euro 14.15 (in absolute amount) per share.
On June 9, 2021, the Annual General Shareholder Meeting approved the cancellation of 3,469,500 own shares:

- 1,421,976 shares, which had been acquired from November 1, 2020 to January 28, 2021 at an average price Euro 12.20 (in absolute amount) per share, and
- 2,047,524 shares, which have been acquired from March 5, 2021 to April 30, 2021 at an average price Euro 13.60 (in absolute amount) per share,

representing at that time 0.75% of its share capital, along with the reduction of the Company's share capital by Euro 9,818,685 (absolute amount) (equivalent to the above number of own shares multiplied by the nominal value of the Company's share, i.e. Euro 2.83 (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 July 19, 2021, when trading of the aforementioned shares on the ATHEX has ceased.

BOARD OF DIRECTORS

On June 9, 2021, the Annual General Shareholder Meeting approved among others the election of a new ten-member Board of Directors for a three-year term.
The new Board of Directors was formed into a corporate body on same day. Following this, the composition of the OTE's Board of Directors is as follows:

1. Mr. Michael Tsamaz, Chairman and CEO, Executive member
2. Mr. Eelco Blok, Vice-Chairman, Independent non-Executive member
3. Mr. Charalampos Mazarakis, Executive member
4. Dr. Robert Hauber, non-Executive member
5. Ms. Kyra Orth, non-Executive member
6. Ms. Dominique Leroy, non-Executive member
7. Mr. Michael Wilkens, non-Executive member
8. Ms. Catherine de Dorlodot, Independent non-Executive member
9. Mr. Dimitrios Georgoutsos, Independent non-Executive member
10. Mr. Grigorios Zarifopoulos, non-Executive member

In the composition of the Board of Directors Ms. Catherine de Dorlodot and Mr Grigorios Zarifopoulos participate for the first time. The term of office of the above Board members expires at the Ordinary General Meeting of the year 2024.

STANDARD & POOR'S UPGRADES OTE TO "BBB" WITH STABLE OUTLOOK

On May 4, 2021, the rating agency Standard & Poor's raised its long-term rating on OTE to "BBB" with stable outlook. The upgrade of OTE follows the recent upgrade of Greece, indicating an improvement in OTE's economic environment and the anticipation that OTE will benefit from Greece recovery over the next two years. The upgrade also reflects OTE's strong credit metrics, including solid balance sheet and resilient cash flow generation.

ISSUANCE OF NEW BONDS

On May 14 2021, OTE PLC issued Euro 150.0 Notes due on November 2021 and Euro 200.0 Notes due on May 2028, 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 refinancing of the Euro 200.0 OTE PLC Notes, maturing in June 2021, as well as for general corporate purposes of OTE Group.

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.

C. OUTLOOK FOR THE 2nd HALF OF 2021

In the second quarter of the year, the negative impact of the pandemic gradually started to subside following the removal of lockdown measures, the easing of travel restrictions, and rapid vaccination progress. OTE Group is benefiting from revenue and profitability recovery in 2021 despite the risks associated with new COVID-19 variants.

The European Commission endorsed Greece's Euro 30.5bn Recovery and Resilience Plan (RRF), an important step towards financing and supporting the implementation of crucial investments and reforms in the country and support economic growth in the coming years. OTE intends to leverage its expertise to support the digitalization of the country and provide it with the technological backbone that will accelerate its future growth.

OTE continues to benefit from its superior network, delivering faster speeds to its customers. Its highly competitive deployment of FTTC/H and 5G provides the required infrastructure to offer enhanced services to customers and continue expanding.

For 2021, management expects Adjusted Group CAPEX of approximately Euro 550 and Adjusted Free Cash Flow of approximately Euro 575. Reported Free Cash Flow should reach Euro 480, which also represents 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.

In addition, during the period of implementation of the Shareholder Remuneration Policy (2018-2020), OTE generated an excess amount, on top of targeted shareholder distribution, of approximately Euro 80, reflecting better-than-projected cash flow performance. Given the exceptional conditions of 2020 and 2021, Management has deemed prudent to retain this amount in the near term as a reserve against potential adverse impacts from the health crisis. In the coming year, assuming a normalization of the operating environment, Management anticipates guiding on the distribution of this excess amount, together with any surplus generated in 2021.

D. RISKS AND UNCERTAINTIES FOR THE 2nd HALF OF 2021

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 <u>F. Corporate Governance Statement ("G. Internal Controls and Risk Management Systems of the Company in relation to financial reporting process")</u> into the Annual Financial Report 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 June 30, 2021.

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" and "Crisis Management Plan" were 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. The measures began to be lifted gradually from mid-April 2021. 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. 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).

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.

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 and 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.

In this context, potential impacts on the collectability of receivables are evaluated, due to the coronavirus pandemic in the country and worldwide.

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 pension funds mainly due to prior years' voluntary leave schemes. The latter loans are exposed to credit risk related to the debt servicing capacity of the pension fund.

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 June 30, 2021 amount to Euro 891.7 and Euro 480.7 respectively and their short-term borrowings and their short-term portion of long-term borrowings amount to Euro 173.2 and Euro 150.1, 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. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's long-term borrowings.

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 Greece and Romania 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).

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 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 1, 2019), less cash and cash equivalents.

GROUP	30/06/2021	31/12/2020
Long-term borrowings	1,164.1	974.8
Short-term borrowings	150.1	205.9
Short-term portion of long-term borrowings	23.1	23.1
Lease liabilities (long-term portion)	280.2	290.6
Lease liabilities (short-term portion)	60.9	61.2
Cash and cash equivalents	(885.9)	(516.2)
Net debt	**792.5**	**1,039.4**
Total equity	2,004.2	2,139.8
Gearing ratio	**0.40x**	**0.49x**

COMPANY	30/06/2021	31/12/2020
Long-term borrowings	1,196.4	894.1
Short-term borrowings	150.1	270.8
Lease liabilities (long-term portion)	139.7	195.3
Lease liabilities (short-term portion)	30.7	44.8
Cash and cash equivalents	(477.7)	(105.5)
Net debt	**1,039.2**	**1,299.5**
Total equity	3,008.6	3,259.2
Gearing ratio	**0.35x**	**0.40x**

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 4799/2021 that was published in May 2021 , the corporate income tax rate was reduced to 22% from year 2021 onwards, whereas the income tax prepayment was reduced from 100% to 70% for year 2021 and 80% from 2022 onwards. 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 previous 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, in order to ensure the seamless continuation of its business operation, has implemented a robust Business Continuity Management System certified per ISO 22301:2019. In this context, recovery programs for both the telecommunications network and the IT infrastructure are already instated by Business Continuity Subdivision OTE Group, in cooperation with Network Automation, Security & Operations Support Subdivision Fixed & Mobile and IT Service Continuity & Risks Subdivision Fixed & Mobile. The resilience of the telecommunications network has been further enhanced through the gradual introduction of new technologies

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.) are main pillars of business growth, producing value for OTE Group and constituting its competitive advantage. New business models for digital service delivery and significant effects of security breaches reinforce the existing cybersecurity challenges and create new ones, by growing in complexity and risk.

Understanding the opportunities and risks associated with the ever-changing technological environment, as well as the increased regulatory requirements towards the security of network and information systems, OTE Group has built a solid cybersecurity strategy. Effective management and treatment of significantly increased cyber risks, achieved via the use of appropriate technical and organizational measures, is an organizational priority; OTE Group takes a multi-layered approach balancing the need to protect itself from cyber risks with the need for digital innovation.

As OTE Group provides integrated ICT solutions, including services to large customers and public organizations, it applies a holistic approach to cyber security taking into consideration both its operational needs and cybersecurity risk landscape, 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. Enforcing Authorities are expected to issue a decision on the incident once the investigation is complete.

In order to ensure a high level of network and information security across the Company, OTE Group, through the 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 strategic choice for 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 an integral part of the Company's culture. In this context, OTE Group has established the Data Privacy unit OTE Group, 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 recently as its target the reduction of Greenhouse Gas (GHG) emissions by at least 55% by 2030, compared to 1990 levels, while in the context of the European Green Deal, EU aims at zero net emissions by 2050. In October 2020, the European Council reached an agreement on the new European climate Law, with an initial target of 40% reduction for 2030, while in April 2021 an agreement was reached on the revised reduction target for 2030 (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, for tackling climate change OTE Group participated in the achievement of DT Group target for a 20% reduction of GHG emissions by 2020, and is committed in the achievement of more ambitious, net zero targets targets (climate neutrality) announced in March 2021 for the DT Group, aiming at

- Net-zero of direct and indirect GHG emissions (scope 1&2) from energy consumption by 2025, including up to 95% reduction of emissions from energy consumption by 2025 compared with 2017.
- 100% coverage of electricity consumption with electricity generated from renewable energy sources by 2021 and onwards
- Net zero GHG emissions (scope 1, 2 and 3) at the latest by 2040.

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 transmission and distribution system, 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.).

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
- Environmental certification of building installations according to internationally recognized standards
- Fleet upgrading with new technology vehicles of lower emissions and improved energy efficiency engines

Climate Change can lead to emerging risks, due to its severe and long-term impacts. On the one hand, low environmental performance could affect the Group's reputation and market share, as surveys indicate that consumers and investors tend to engage with companies that have an effective environmental policy in place. On the other hand, in the long term, telecommunications infrastructure could be affected by extreme weather events (physical impacts) that can lead to network disruptions.

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

Multiple work – related risk factors are considered to be hazardous for the Health and Safety of employees, especially for the technical staff (such as Field, Net and PCP technicians; linemen; electricians; warehouse personnel; etc.). 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 and regarding the consequences of the existing hazardsit is revealed that the most significant workplace hazards are that the technical staff is exposed to, and the main causes are the following:

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

2. Underground work, which is performed for the purposes of repair or maintenance of equipment. An underground construction site is a narrow space with stagnant (dirty) water, and it could be a source of infections, especially if the worker does not use his of P.P.E. properly.
3. Work on poles, can also lead to accidents, especially if the worker uses his P.P.E. improperly or not at all.
4. Use of ladders for repair or maintenance purposes, which are located wrongly.
5. Improper or unsafe use of hand tools, which are used during work.
6. Non – continuous implementation of the guidelines for safe works, which are communicated in multiple ways for each individual work.

OTE assures that the technical staff is always equipped with the proper P.P.E., which are being chosen according to specifications, are state of the art certified and audited for its integrity and their expiry date and renewed according to the standards defined by legislation. Moreover, the Company is conducting continuous and repeated trainings for the technical staff; in order all the workers to be informed and aware for the hazards in the workplace. All the trainings are being renewed and enriched with new techniques (i.e. virtual reality programs); in order to give motivation to the workers to attend them pleasantly. Except for these educations, the technicians are being educated by the Safety Engineers who visits the sites and they deliver to the technicians hardcopies with guidelines for each training. Finally, many guidelines for safe work are uploaded to the Company's intranet, to which every employee has access.

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, responded promptly and ensured from the outset the necessary means and protection conditions from the virus, by providing regularly information on individual protection measures for employees. From the beginning of the pandemic, 80% of personnel worked remotely, while frontline employees (field technicians/ sales representatives in stores) were promptly 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, all employees were informed for the updates of the protection measures against COVID-19, 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 specified 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). Moreover the medical unit of the Company managed the positive SARS – CoV -2 cases and their contacts according to the Management Protocol of SARS – CoV -2, which has been constructed. Furthermore, where necessary, disinfection was carried out, in accordance to 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 the safety during teleworking and the musculoskeletal health: the Health & Safety Business Unit organized live webinars in order the employees to be informed about the ergonomics and the right posture during the periods of teleworking.
- Concerning the safety, Webinars and live sessions were organized for protection against earthquake and fire, Trainings for Safe works in height and Use of Hand Tools.
- Concerning health: the Health & Safety Business Unit organized Webinars for First Aids and Prevention & Treatment of children and adolescents' accidents. Moreover, a digital conference about children with special needs was also organized: "Doman" method; for the purpose of sensitivity and information.
- Concerning mental health & balance: the Health & Safety Business Unit organized live webinars for the Workplace Management Crises in collaboration with specialized partners. The aim of these live webinars aimed self – improvement and maintenance of work life balance.
- Concerning well-being: A new dimension was given to actions and promotion of health and well-being, reshaping the current data according to the peculiarities of this period. In this context, the digital platform the Coach was introduced to the company's employees. This new wellness platform enables the employees to choose the suitable exercises, through a wide range of options (e.g. empowerment, aerobic or gentle training/exercise, martial arts, meditation, dancing, etc.), according to physical needs, mood etc. The services of the platform are available 24/7.
- 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.
- Concerning the digitalization of the internal processes, two new applications were constructed; one for the distribution of PPEs and the one for the Medical Cases. The PPEs application includes stock management, distribution management, delivery recordings and order history. The Medical Tool Application is a digital application for the management and digitization of medical records.

The actions that started in 2020 due to COVID-19 and continued in 2021 were the distribution of personal protective equipment such as gloves and masks (Safety), the management of suspicious COVID-19 cases and their detection in collaboration with diagnostic centers (Health) and the creation of new #Wellness Apo to Spiti videos, which are posted on the company's intranet (Wellness).

Throughout this period, the Company is aligned with the official, governmental guidelines and it adjusts properly its business functions (modification of the percentage of remote work, operational modification of stores in high exposure regions e.tc.). The pandemic disease is still part of our everyday life, and the Company, through its Health & Safety unit, continues to care and supervise the implementation of all necessary 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' risks

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.

Failing to adopt and implement adequate and robust processes that prevent corruption, bribery and human rights issues and violation can result in harming OTE Group's reputation, thus possibly subsequently affecting its financial position as well as its employees' commitment and loyalty. Therefore, OTE Group recognizes corruption, bribery and human rights violations as an emerging risk, given the uptake of domestic and international regulation on these issues. As such, OTE Group has established effective policies and procedures (such as whistleblower procedures) for the prevention, identification and handling of possible cases.

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.

E. 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 OTE Group are eliminated on consolidation.

DEUTSCHE TELEKOM AG is a 47.9% 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:

	1st Half 2021		1st Half 2020	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE Group - Greece	28.0	75.3	41.5	63.5
COSMOTE TV PRODUCTIONS	-	3.2	-	3.2
COSMO-ONE	-	0.2	-	0.2
OTESAT-MARITEL	0.2	-	0.2	0.2
CTS	0.1	73.8	-	0.6
OTE ESTATE	0.1	0.1	0.2	3.5
OTE GLOBE	3.4	16.7	5.3	17.7
OTE ACADEMY	-	1.3	-	0.5
TELEKOM ROMANIA	-	0.2	-	-
TELEKOM ROMANIA MOBILE	-	-	0.1	-
OTE RURAL NORTH	1.3	1.9	1.0	1.2
OTE RURAL SOUTH	1.7	2.8	1.4	2.0
DEUTSCHE TELEKOM group of companies (except for OTE Group)	6.0	2.3	10.5	2.6
TOTAL	**40.8**	**177.8**	**60.2**	**95.2**

Purchases of OTE from CTS include network construction services amounting Euro 8.9 for the first half of 2021 (first half of 2020: Euro nil).

Following the adoption of IFRS 16, for the first half of 2021 purchases of OTE from related parties do not include an amount of Euro 17.8 related to lease expenses (first half of 2020: Euro 21.4).

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

	1st Half 2021		1st Half 2020	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	16.9	28.0	20.9	19.7
TOTAL	**16.9**	**28.0**	**20.9**	**19.7**

For the first half of 2021, Group's sales to DEUTSCHE TELEKOM group of companies include an amount of Euro 3.2 related to discontinued operations (first half of 2020: Euro 2.7) and Group's purchases include an amount of Euro 15.1 related to discontinued operations (first half of 2020: Euro 5.5).

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

	Other operating income OTE	
	1st Half 2021	1st Half 2020
COSMOTE Group - Greece	6.9	0.1
OTE ACADEMY	0.1	0.1
OTE GLOBE	0.1	-
CTS	4.9	-
TOTAL	**12.0**	**0.2**

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	
	1st Half 2021	1st Half 2020
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.1	-
TOTAL	**0.1**	**-**

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:

	1st Half 2021		1st Half 2020	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	9.2	-	21.3
COSMOTE Group - Greece	0.1	0.1	0.1	0.2
OTE RURAL NORTH	-	-	0.5	-
OTE RURAL SOUTH	0.2	0.1	0.2	0.1
OTE ESTATE	-	3.0	-	6.0
TOTAL	**0.3**	**12.4**	**0.8**	**27.6**

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

	Dividend income OTE	
	1st Half 2021	1st Half 2020
OTESAT-MARITEL	-	0.3
COSMOTE Group - Greece	-	150.0
OTE ESTATE	20.4	30.7
TOTAL	**20.4**	**181.0**

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

	30/06/2021		31/12/2020	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE Group - Greece	27.6	159.6	184.8	162.6
TELEKOM ROMANIA MOBILE	0.1	-	0.4	-
COSMOTE TV PRODUCTIONS	-	1.7	0.1	1.7
COSMO-ONE	-	0.3	-	-
OTESAT-MARITEL	5.3	-	5.1	0.2
CTS	4.8	33.6	-	0.5
COSMOTE PAYMENTS	0.1	-	-	-
OTE ESTATE	21.8	202.9	1.8	226.6
OTE GLOBE	2.6	11.0	2.8	15.8
OTE ACADEMY	-	0.5	0.5	0.4
TELEKOM ROMANIA	0.6	0.1	1.6	-
OTE RURAL NORTH	0.4	2.1	0.5	1.0
OTE RURAL SOUTH	0.6	4.2	0.7	2.0
DEUTSCHE TELEKOM group of companies (except for OTE Group)	3.6	155.3	3.0	3.0
TOTAL	**67.5**	**571.3**	**201.3**	**413.8**

Amounts owed by OTE to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 151.7 as of June 30, 2021 (December 31, 2020: Euro nil).

Amounts owed to OTE by OTE ESTATE and OTESAT-MARITEL include dividend receivable amounting to Euro 20.4, and Euro 0.9 as of June 30, 2021, respectively (December 31, 2020: COSMOTE Group – Greece and OTESAT-MARITEL amounting to Euro 150.0 and Euro 0.9, 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:

	Lease liabilities OTE	
	30/06/2021	31/12/2020
OTE ESTATE	154.8	203.3
COSMOTE Group - Greece	2.8	6.3
OTE RURAL NORTH	1.0	0.6
OTE RURAL SOUTH	2.0	1.0
TOTAL	**160.6**	**211.2**

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:

	30/06/2021		31/12/2020	
	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)	11.8	661.1	10.3	357.9
TOTAL	**11.8**	**661.1**	**10.3**	**357.9**

Amounts owed by OTE to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 151.7 as of June 30, 2021 (December 31, 2020: Euro nil).

As of June 30, 2021, amounts owed to Group include an amount of Euro 0.9 related to discontinued operations (December 31, 2020: Euro 1.8) and amounts owed by Group include an amount of Euro 19.7 related to discontinued operations (December 31, 2020: Euro 16.7).

Amounts owed by Group to DEUTSCHE TELEKOM group of companies (except for OTE Group) as of June 30, 2021 include an amount of Euro 450.0 (nominal amount) related to Notes issued by OTE PLC and subscribed partially or in full by DEUTSCHE TELEKOM AG (December 31, 2020: Euro 300.0 nominal amount).

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

	30/06/2021		31/12/2020	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	1,359.5	-	1,172.1
COSMOTE Group - Greece	0.1	-	0.1	-
OTE RURAL NORTH	6.0	-	6.1	-
OTE RURAL SOUTH	8.5	-	8.6	-
TOTAL	**14.6**	**1,359.5**	**14.8**	**1,172.1**

Amounts owed by OTE to OTE PLC relating to loans include interest payable amounting to Euro 13.0 (December 31, 2020: Euro 7.2).

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").

Compensation to the members of the Board of Directors and OTE's key management personnel amounted to Euro 6.8 for the first half of 2021 (first half of 2020: Euro 2.8). The change compared to the first half of 2020 is due to different settlement period of variable benefits.

F. SIGNIFICANT EVENTS AFTER THE END OF THE 1st HALF OF 2021

CANCELLATION OF OWN SHARES

On June 9, 2021, the Annual General Shareholder Meeting approved the cancellation of 3,469,500 own shares:

- 1,421,976 shares, which had been acquired from November 01, 2020 to January 28, 2021 at an average price Euro 12.20 (absolute amount) per share, and
- 2,047,524 shares, which have been acquired from March 05, 2021 to April 30, 2021 at an average price Euro 13.60 (absolute amount) per share,

representing at that time 0.75% of its share capital, along with the reduction of the Company's share capital by Euro 9,818,685 (in absolute amount) (equivalent to the above number of own shares multiplied by the nominal value of the Company's share, i.e. Euro 2.83 (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 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 July 19, 2021, when trading of the aforementioned shares on the ATHEX has ceased.

AGREEMENT FOR TELEKOM ROMANIA DISPOSAL

On July 28 2021, OTE announced that on July 28, 2021 the European Commission (EC) approved conditionally, the agreement announced on November 9, 2020 between OTE and Orange Romania for the sale of the 54% stake OTE holds in Telekom Romania Communications S.A. ("TKR") (the "Approval").

Specifically, the Approval is conditional on TKR divesting its 30% stake in Telekom Romania Mobile Communications S.A. (TKRM). Currently OTE holds 70% and TKR holds 30%.

OTE intends to acquire this 30% stake from TKR subject to required approvals. Such acquisition would increase OTE's stake in TKRM to near 100%, from 70% currently. On the basis of an agreed enterprise value of Euro 109 for 100% of TKRM, the value of the 30% stake held by TKR has been established at Euro 32.78. The final purchase price will be determined after final adjustments for net debt and working capital of TKRM. Based on current forecasts, the estimated purchase price is approximately Euro 59.5 and it will be concluded once the final net debt and working capital are available. The final purchase price will be taken into consideration for the distribution of the residual proceeds of the TKR sale, later in the year.

Following the Approval, completion of the 54% TKR sale to Orange Romania is expected within the next few months, once the execution of the EC remedy has been completed and the remaining conditions precedent have been met. The net proceeds to OTE, after the cost of acquiring the 30% of TKRM, transaction expenses, and required adjustments, will be returned to OTE shareholders in the form of extraordinary dividend and share buybacks.

COSMOTE

PAYMENT OF PRINCIPAL INSTALLMENT UNDER THE EURO 150.0 TERM LOAN WITH EUROPEAN INVESTMENT BANK (EIB)

On July 23, 2021, Cosmote paid principal installment of Euro 11.5 under the term loan with EIB, along with the accrued interest.

G. 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 six months' 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	30/06/2021	31/12/2020	Change
Long-term borrowings	1,164.1	974.8	+19.4%
Short-term portion of long-term borrowings	23.1	23.1	+0.0%
Short-term borrowings	150.1	205.9	-27.1%
Lease liabilities (long-term portion)	280.2	290.6	-3.6%
Lease liabilities (short-term portion)	60.9	61.2	-0.5%
Cash and cash equivalents	(885.9)	(516.2)	+71.6%
Net Debt	**792.5**	**1,039.4**	**-23.8%**
Other financial assets	(5.8)	(5.4)	+7.4%
Adjusted Net Debt	**786.7**	**1,034.0**	**-23.9%**

Net Debt & 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	30/06/2021	31/12/2020	Change
Net Debt	**792.5**	**1,039.4**	**-23.8%**
Lease liabilities (long-term portion)	(280.2)	(290.6)	-3.6%
Lease liabilities (short-term portion)	(60.9)	(61.2)	-0.5%
Net Debt (excluding leases)	**451.4**	**687.6**	**-34.4%**
Other financial assets	(5.8)	(5.4)	+7.4%
Adjusted Net Debt (excluding leases)	**445.6**	**682.2**	**-34.7%**

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	1st Half 2021	1st Half 2020	Change
Total Revenues	1,615.4	1,563.4	+3.3%
Other Operating Income	5.6	6.5	-13.8%
Total operating expenses before depreciation, amortization and impairment	(972.1)	(994.4)	-2.2%
EBITDA	**648.9**	**575.5**	**+12.8%**
margin %	***40.2%***	***36.8%***	***+3.4pp***
Costs related to voluntary leave schemes	4.7	53.1	-91.1%
Other restructuring and non-recurring litigations	1.5	-	-
Adjusted EBITDA	**655.1**	**628.6**	**+4.2%**
margin %	***40.6%***	***40.2%***	***+0.4pp***

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	1st Half 2021	1st Half 2020	Change
EBITDA	**648.9**	**575.5**	**+12.8%**
margin %	*40.2%*	*36.8%*	*+3.4pp*
Depreciation for the right-of-use assets	(35.0)	(32.0)	+9.4%
Interest expense on leases	(8.5)	(9.7)	-12.4%
EBITDA After Lease (AL)	**605.4**	**533.8**	**+13.4%**
margin %	*37.5%*	*34.1%*	*+3.4pp*
Costs related to voluntary leave schemes	4.7	53.1	-91.1%
Other restructuring costs and non-recurring litigations	1.5	-	-
Adjusted EBITDA After Lease (AL)	**611.6**	**586.9**	**+4.2%**
margin %	*37.9%*	*37.5%*	*+0.4pp*

Greece	1st Half 2021	1st Half 2020	Change
EBITDA	**630.7**	**555.5**	**+13.5%**
margin %	*42.7%*	*39.7%*	*+3.0pp*
Depreciation of lessee use rights to leased assets	(25.8)	(26.2)	-1.5%
Interest expense on leases	(7.5)	(8.8)	-14.8%
EBITDA After Lease (AL)	**597.4**	**520.5**	**+14.8%**
margin %	*40.5%*	*37.2%*	*+3.3pp*
Costs related to voluntary leave schemes	4.6	52.9	-91.3%
Other restructuring and non-recurring litigations	-	-	-
Adjusted EBITDA After Lease (AL)	**602.0**	**573.4**	**+5.0%**
margin %	*40.8%*	*41.0%*	*-0.2pp*

Romania mobile	1st Half 2021	1st Half 2020	Change
EBITDA	**18.3**	**20.1**	**-9.0%**
margin %	*12.0%*	*11.5%*	*+0.5pp*
Depreciation of lessee use rights to leased assets	(9.3)	(5.9)	+57.6%
Interest expense on leases	(1.0)	(0.9)	+11.1%
EBITDA After Lease (AL)	**8.0**	**13.3**	**-39.8%**
margin %	*5.3%*	*7.6%*	*-2.3pp*
Costs related to voluntary leave schemes	0.1	0.2	-50.0%
Other restructuring and non-recurring litigations	1.5	-	-
Adjusted EBITDA After Lease (AL)	**9.6**	**13.5**	**-28.9%**
margin %	*6.3%*	*7.7%*	*-1.4pp*

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:

After Tax impact	1st Half 2021	1st Half 2020	Change
Profit to owners of the Parent from continuing operations	**176.8**	**155.5**	**+13.7%**
Costs related to voluntary leave schemes	3.7	40.4	-90.8%
Other restructuring & non-recurring litigations	1.1	-	-
Effect due to change in the income tax rates	26.3	-	-
Adjusted Profit to owners of the parent	**207.9**	**195.9**	**+6.1%**

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 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	1st Half 2021	1st Half 2020	Change
Purchase of property plant and equipment and intangible assets - CAPEX	(238.2)	(282.6)	-15.7%
Spectrum Payments	1.1	-	-
Adjusted CAPEX	**(237.1)**	**(282.6)**	**-16.1%**

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	1st Half 2021	1st Half 2020	Change
Net cash flows from operating activities	614.4	605.3	+1.5%
Minus: Net cash flows from operating activities of discontinued operations	69.7	61.3	+13.7%
Interest received	0.4	0.8	-50.0%
Purchase of property, plant, equipment & intangible assets	(238.2)	(282.6)	-15.7%
Free Cash Flow	**306.9**	**262.2**	**+17.0%**
Lease repayments	(33.0)	(28.2)	+17.0%
Free Cash Flow After Lease (AL)	**273.9**	**234.0**	**+17.1%**

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	1st Half 2021	1st Half 2020	Change
Free Cash Flow	**306.9**	**262.2**	**+17.0%**
Payment for voluntary leave schemes	47.7	49.9	-4.4%
Payment for restructuring costs and non-recurring litigations	2.9	2.6	+11.5%
Spectrum payments	1.1	-	-
Adjusted Free Cash Flow	**358.6**	**314.7**	**+13.9%**
Lease repayments	(33.0)	(28.2)	+17.0%
Adjusted Free Cash Flow After Lease (AL)	**325.6**	**286.5**	**+13.6%**

Maroussi, August 04, 2021

Michael Tsamaz
Chairman and Managing Director

Charalampos Mazarakis
Board Member

III. AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Translation from the original text in Greek

Report on Review of Interim Financial Information

To the Board of directors of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (the “Company”), as of 30 June 2021 and the related condensed company and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow statements for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by L.3556/2007.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim [condensed] financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as they have been transposed into Greek Law and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal and regulatory requirements

Our review has not revealed any material inconsistency or misstatement in the statements of the members of the Board of Directors and the information of the six-month Board of Directors Report, as defined in articles 5 and 5a of Law 3556/2007, in relation to the accompanying condensed interim financial information.

Athens, 4 August 2021
The Certified Auditor Accountant

PricewaterhouseCoopers S.A.
Certified Auditors – Accountants
268, Kifissias Avenue
152 32 Halandri
SOEL Reg. No 113

Fotis Smirnis
SOEL Reg. No 52861

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

GROUP OF COMPANIES

INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE) AS OF JUNE 30, 2021

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

as adopted by the European Union

(TRANSLATED FROM THE GREEK ORIGINAL)

The Interim Condensed Financial Statements presented on pages 34-66, were approved by the Board of Directors on August 4, 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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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AS OF JUNE 30, 2021 AND FOR THE SIX MONTH PERIOD THEN ENDED

INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP 30/06/2021	GROUP 31/12/2020	COMPANY 30/06/2021	COMPANY 31/12/2020
ASSETS					
Non-current assets					
Property, plant and equipment		2,055.3	2,060.6	1,244.9	1,250.3
Right-of-use assets		346.9	362.1	167.2	235.5
Goodwill		376.6	376.6	-	-
Telecommunication licenses		340.9	361.0	2.1	2.5
Other intangible assets		378.5	408.0	258.9	282.3
Investments	4	0.1	0.1	3,100.1	3,083.8
Loans to pension funds		70.5	72.3	70.5	72.3
Deferred tax assets		327.3	364.0	145.7	185.4
Contract costs	12	23.4	24.6	7.7	5.5
Other non-current assets		73.6	75.7	43.7	72.4
Total non-current assets		**3,993.1**	**4,105.0**	**5,040.8**	**5,190.0**
Current assets					
Inventories		40.5	26.9	5.1	7.6
Trade receivables		459.7	433.1	256.5	250.4
Other financial assets		5.8	5.4	3.0	2.8
Contract assets	12	31.0	28.7	1.8	0.4
Other current assets		115.8	143.8	88.6	251.2
Restricted cash		1.9	2.3	-	-
Cash and cash equivalents		885.9	516.2	477.7	105.5
Total current assets		**1,540.6**	**1,156.4**	**832.7**	**617.9**
Assets of disposal group classified as held for sale	4	617.5	606.5	148.6	148.7
TOTAL ASSETS		**6,151.2**	**5,867.9**	**6,022.1**	**5,956.6**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	5	1,302.4	1,330.6	1,302.4	1,330.6
Share premium	5	466.5	476.4	466.5	476.4
Treasury shares	5	(76.2)	(132.2)	(76.2)	(132.2)
Statutory reserve		440.7	440.7	440.7	440.7
Foreign exchange and other reserves		(200.1)	(201.6)	(26.5)	(27.9)
Changes in non-controlling interests		(3,314.1)	(3,314.1)	-	-
Retained earnings		3,221.8	3,396.0	901.7	1,171.6
Total equity attributable to owners of the Parent		**1,841.0**	**1,995.8**	**3,008.6**	**3,259.2**
Non-controlling interests	4	163.2	144.0	-	-
Total equity		**2,004.2**	**2,139.8**	**3,008.6**	**3,259.2**
Non-current liabilities					
Long-term borrowings	7	1,164.1	974.8	1,196.4	894.1
Provision for staff retirement indemnities		140.5	145.7	41.7	120.1
Provision for youth account		103.8	109.2	103.8	109.2
Contract liabilities	12	24.8	25.4	40.6	44.1
Lease liabilities		280.2	290.6	139.7	195.3
Deferred tax liabilities		3.3	9.8	-	-
Other non-current liabilities		105.9	107.8	134.5	141.1
Total non-current liabilities		**1,822.6**	**1,663.3**	**1,656.7**	**1,503.9**
Current liabilities					
Trade accounts payable		688.3	719.8	361.7	371.5
Short-term borrowings	7	150.1	205.9	150.1	270.8
Short-term portion of long-term borrowings	7	23.1	23.1	-	-
Income tax payable	9	141.0	76.2	32.7	7.9
Contract liabilities	12	125.8	121.8	82.3	74.3
Lease liabilities		60.9	61.2	30.7	44.8
Provision for voluntary leave schemes		138.9	178.9	138.9	178.9
Dividends payable	6	314.9	2.2	314.8	2.1
Other current liabilities		399.7	364.5	245.6	243.2
Total current liabilities		**2,042.7**	**1,753.6**	**1,356.8**	**1,193.5**
Liabilities of disposal group classified as held for sale	4	281.7	311.2	-	-
TOTAL EQUITY AND LIABILITIES		**6,151.2**	**5,867.9**	**6,022.1**	**5,956.6**

The accompanying notes on pages 41-66 form an integral part of these financial statements.

INTERIM INCOME STATEMENT (CONSOLIDATED)

(Amounts in millions of Euro except per share data)	Notes	1st Half 2021	1st Half 2020
Revenue			
Fixed business:			
Retail services revenues		469.1	465.7
Wholesale services revenues		282.3	275.9
Other revenues		127.5	137.7
Total revenues from fixed business		**878.9**	**879.3**
Mobile business:			
Service revenues		562.6	555.0
Handset revenues		128.9	90.3
Other revenues		9.3	8.0
Total revenues from mobile business		**700.8**	**653.3**
Miscellaneous other revenues		**35.7**	**30.8**
Total revenues		**1,615.4**	**1,563.4**
Other operating income	10	**5.6**	**6.5**
Operating expenses			
Interconnection and roaming costs		(209.8)	(207.4)
Provision for expected credit losses		(37.3)	(39.0)
Personnel costs		(229.5)	(249.2)
Costs related to voluntary leave schemes	8	(4.7)	(53.1)
Commission costs		(38.9)	(39.9)
Merchandise costs		(150.9)	(130.0)
Maintenance and repairs		(36.9)	(33.4)
Marketing		(27.8)	(31.0)
Other operating expenses, out of which:		(236.3)	(211.4)
Facility and other lease related costs		*(41.7)*	*(49.8)*
Third party fees and services		*(76.0)*	*(69.2)*
Other taxes and regulatory charges		*(34.9)*	*(33.2)*
Construction cost network		*(0.1)*	*(0.2)*
Other sundry operating expenses		*(83.6)*	*(59.0)*
Total operating expenses before depreciation, amortization and impairment		**(972.1)**	**(994.4)**
Operating profit before financial and investing activities, depreciation, amortization and impairment		**648.9**	**575.5**
Depreciation, amortization and impairment		(330.1)	(318.8)
Operating profit before financial and investing activities		**318.8**	**256.7**
Income and expense from financial and investing activities			
Interest and related expenses		(24.0)	(33.1)
Interest income		0.4	0.8
Foreign exchange differences, net		(0.7)	(0.5)
Gains / (losses) from investments and other financial assets - Impairment		0.4	(0.4)
Total loss from financial and investing activities		**(23.9)**	**(33.2)**
Profit before tax		**294.9**	**223.5**
Income tax	9	(120.1)	(69.5)
Profit for the period from continuing operations		**174.8**	**154.0**
Profit from discontinued operations	4	66.7	30.3
Profit for the period		**241.5**	**184.3**
Attributable to:			
Owners of the parent		222.0	181.0
From continuing operations		*176.8*	*155.5*
From discontinued operations		*45.2*	*25.5*
Non-controlling interests		19.5	3.3
Profit for the period		**241.5**	**184.3**
Earnings per share attributable to owners of the parent from continuing operations			
Basic earnings per share	11	0.3865	0.3317
Diluted earnings per share	11	0.3865	0.3317
Total basic earnings per share attributable to owners of the parent	11	0.4853	0.3861

INTERIM INCOME STATEMENT (SEPARATE)

(Amounts in millions of Euro)	Notes	1st Half 2021	1st Half 2020
Revenue			
Fixed business:			
Retail services revenues		468.0	466.1
Wholesale services revenues		164.4	160.8
Other revenues		113.3	111.8
Total revenues from fixed business		**745.7**	**738.7**
Mobile business:			
Handset revenues		1.1	10.4
Total revenues from mobile business		**1.1**	**10.4**
Miscellaneous other revenues		**24.0**	**31.6**
Total revenues		**770.8**	**780.7**
Other operating income	10	**13.8**	**4.1**
Operating expenses			
Interconnection and roaming costs		(42.4)	(40.8)
Provision for expected credit losses		(13.0)	(15.0)
Personnel costs		(51.6)	(132.1)
Costs related to voluntary leave schemes	8	(1.3)	(46.2)
Commission costs		(20.9)	(11.4)
Merchandise costs		(22.8)	(29.3)
Maintenance and repairs		(19.3)	(17.4)
Marketing		(8.4)	(10.0)
Other operating expenses, out of which:		(241.7)	(147.5)
Facility and other lease related costs		*(23.5)*	*(25.6)*
Third party fees and services		*(153.3)*	*(82.5)*
Other taxes and regulatory charges		*(12.3)*	*(10.9)*
Other sundry operating expenses		*(52.6)*	*(28.5)*
Total operating expenses before depreciation, amortization and impairment		**(421.4)**	**(449.7)**
Operating profit before financial and investing activities, depreciation, amortization and impairment		**363.2**	**335.1**
Depreciation, amortization and impairment		(177.1)	(171.6)
Operating profit before financial and investing activities		**186.1**	**163.5**
Income and expense from financial and investing activities			
Interest and related expenses		(16.1)	(29.2)
Interest income		0.6	1.3
Foreign exchange differences, net		0.6	(0.1)
Dividend income	4,14	20.4	181.0
Gains / (losses) from investments and other financial assets - Impairment		0.2	(0.3)
Total profit from financial and investing activities		**5.7**	**152.7**
Profit before tax		**191.8**	**316.2**
Income tax	9	(65.5)	(40.3)
Profit for the period		**126.3**	**275.9**

INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

(Amounts in millions of Euro)	1st Half 2021	1st Half 2020
Profit for the period	**241.5**	**184.3**
Other comprehensive income: **Items that will not be reclassified subsequently to profit or loss**		
Actuarial gains	9.0	1.9
Deferred taxes on actuarial gains	(1.7)	(0.4)
Deferred taxes on actuarial gains due to change in tax rate	(0.8)	-
Total items that will not be reclassified subsequently to profit or loss	**6.5**	**1.5**
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	(5.3)	(6.0)
Total items that may be reclassified subsequently to profit or loss	**(5.3)**	**(6.0)**
Other comprehensive income / (loss) for the period	**1.2**	**(4.5)**
Total comprehensive income for the period	**242.7**	**179.8**
Attributable to:		
Owners of the parent	223.5	177.9
Non-controlling interests	19.2	1.9
	242.7	**179.8**
Total comprehensive income attributable to owners of the parent arises from:		
Continuing operations	178.3	153.5
Discontinued operations	45.2	24.4
	223.5	**177.9**

INTERIM STATEMENT OF COMPREHENSIVE INCOME (SEPARATE)

(Amounts in millions of Euro)	1st Half 2021	1st Half 2020
Profit for the period	**126.3**	**275.9**
Other comprehensive income: **Items that will not be reclassified subsequently to profit or loss**		
Actuarial gains	2.8	1.5
Deferred taxes on actuarial gains	(0.6)	(0.3)
Deferred taxes on actuarial gains due to change in tax rate	(0.8)	-
Total items that will not be reclassified subsequently to profit or loss	**1.4**	**1.2**
Other comprehensive income for the period	**1.4**	**1.2**
Total comprehensive income for the period	**127.7**	**277.1**

The accompanying notes on pages 41-66 form an integral part of these financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

(Amounts in millions of Euro)	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		
Balance as at January 1, 2020	**1,358.2**	**486.6**	**(110.3)**	**415.1**	**(187.5)**	**(3,314.1)**	**3,404.0**	**2,052.0**	**131.1**	**2,183.1**
Profit for the period	-	-	-	-	-	-	181.0	**181.0**	3.3	**184.3**
Other comprehensive income / (loss)	-	-	-	-	(3.1)	-	-	**(3.1)**	(1.4)	**(4.5)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**(3.1)**	**-**	**181.0**	**177.9**	**1.9**	**179.8**
Cancellation of treasury shares	(27.6)	(10.0)	121.3	-	-	-	(83.7)	**-**	-	**-**
Dividend distribution	-	-	-	-	-	-	(258.6)	**(258.6)**	-	**(258.6)**
Acquisition of treasury shares	-	-	(61.7)	-	-	-	-	**(61.7)**	-	**(61.7)**
Share option plans	-	0.2	-	-	-	-	-	**0.2**	-	**0.2**
Balance as at June 30, 2020	**1,330.6**	**476.8**	**(50.7)**	**415.1**	**(190.6)**	**(3,314.1)**	**3,242.7**	**1,909.8**	**133.0**	**2,042.8**
Balance as at January 1, 2021	**1,330.6**	**476.4**	**(132.2)**	**440.7**	**(201.6)**	**(3,314.1)**	**3,396.0**	**1,995.8**	**144.0**	**2,139.8**
Profit for the period	-	-	-	-	-	-	222.0	222.0	19.5	241.5
Other comprehensive income / (loss)	-	-	-	-	1.5	-	-	1.5	(0.3)	1.2
Total comprehensive income	**-**	**-**	**-**	**-**	**1.5**	**-**	**222.0**	**223.5**	**19.2**	**242.7**
Cancellation of treasury shares (Note 5)	(28.2)	(10.1)	121.6	-	-	-	(83.3)	**-**	-	-
Dividend distribution (Note 6)	-	-	-	-	-	-	(312.9)	**(312.9)**	-	(312.9)
Acquisition of treasury shares (Note 5)	-	-	(65.6)	-	-	-	-	**(65.6)**	-	(65.6)
Share option plans	-	0.2	-	-	-	-	-	**0.2**	-	0.2
Balance as at June 30, 2021	**1,302.4**	**466.5**	**(76.2)**	**440.7**	**(200.1)**	**(3,314.1)**	**3,221.8**	**1,841.0**	**163.2**	**2,004.2**

The accompanying notes on pages 41-66 form an integral part of these financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY (SEPARATE)

(Amounts in millions of Euro)	Share capital	Share premium	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Total equity
Balance as at January 1, 2020	**1,358.2**	**486.6**	**(110.3)**	**415.1**	**(22.4)**	**1,027.4**	**3,154.6**
Profit for the period	-	-	-	-	-	275.9	**275.9**
Other comprehensive income	-	-	-	-	1.2	-	**1.2**
Total comprehensive income	**-**	**-**	**-**	**-**	**1.2**	**275.9**	**277.1**
Cancellation of treasury shares	(27.6)	(10.0)	121.3	-	-	(83.7)	**-**
Dividend distribution	-	-	-	-	-	(258.6)	**(258.6)**
Acquisition of treasury shares	-	-	(61.7)	-	-	-	**(61.7)**
Share option plans	-	0.2	-	-	-	-	**0.2**
Balance as at June 30, 2020	**1,330.6**	**476.8**	**(50.7)**	**415.1**	**(21.2)**	**961.0**	**3,111.6**
Balance as at January 1, 2021	**1,330.6**	**476.4**	**(132.2)**	**440.7**	**(27.9)**	**1,171.6**	**3,259.2**
Profit for the period	-	-	-	-	-	126.3	**126.3**
Other comprehensive income	-	-	-	-	1.4	-	**1.4**
Total comprehensive income	**-**	**-**	**-**	**-**	**1.4**	**126.3**	**127.7**
Cancellation of treasury shares (Note 5)	(28.2)	(10.1)	121.6	-	-	(83.3)	**-**
Dividend distribution (Note 6)	-	-	-	-	-	(312.9)	**(312.9)**
Acquisition of treasury shares (Note 5)	-	-	(65.6)	-	-	-	**(65.6)**
Share option plans	-	0.2	-	-	-	-	**0.2**
Balance as at June 30, 2021	**1,302.4**	**466.5**	**(76.2)**	**440.7**	**(26.5)**	**901.7**	**3,008.6**

INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		01/01-30/06/2021	01/01-30/06/2020	01/01-30/06/2021	01/01-30/06/2020
Cash flows from operating activities					
Profit before tax		294.9	223.5	191.8	316.2
Adjustments for:					
Depreciation, amortization and impairment		330.1	318.8	177.1	171.6
Costs related to voluntary leave schemes	8	4.7	53.1	1.3	46.2
Provision for staff retirement indemnities		2.2	2.3	0.8	1.9
Provision for youth account		0.6	0.1	0.6	0.1
Foreign exchange differences, net		0.7	0.5	(0.6)	0.1
Interest income		(0.4)	(0.8)	(0.6)	(1.3)
Dividend income	4, 14	-	-	(20.4)	(181.0)
(Gains) / losses from investments and other financial assets – Impairment		(0.4)	0.4	(0.2)	0.3
Interest and related expenses		24.0	33.1	16.1	29.2
Working capital adjustments:					
Decrease / (increase) in inventories		(13.6)	1.9	(1.8)	0.7
Decrease / (increase) in receivables		(23.9)	(16.2)	2.3	(12.1)
(Decrease) / increase in liabilities (except borrowings)		(3.5)	(2.3)	(19.2)	(65.5)
Plus /(Minus):					
Payment for voluntary leave schemes	8	(47.7)	(49.9)	(41.6)	(43.3)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(4.9)	(5.0)	(4.7)	(4.9)
Interest and related expenses paid (except leases)		(7.7)	(5.3)	(6.0)	(4.3)
Interest paid for leases		(8.5)	(9.7)	(3.4)	(7.1)
Income tax paid		(1.9)	(0.5)	(0.4)	(0.4)
Net cash flows from operating activities of discontinued operations		69.7	61.3	-	-
Net cash flows from operating activities		**614.4**	**605.3**	**291.1**	**246.4**
Cash flows from investing activities					
Return of capital invested in subsidiary	4	-	-	1.0	-
Investment in subsidiaries	4	-	-	(3.0)	(4.0)
Repayment of loans receivable		3.6	3.6	3.6	3.6
Loans granted to subsidiary		-	-	-	(6.0)
Repayment of loans granted to subsidiary		-	-	-	6.2
Purchase of property, plant and equipment and intangible assets		(238.2)	(282.6)	(134.0)	(177.3)
Movement in restricted cash		0.4	-	-	-
Interest received		0.4	0.8	0.6	1.4
Dividends received	14	-	-	150.0	80.0
Net cash flows from investing activities of discontinued operations		(39.3)	(34.7)	-	-
Net cash flows from / (used in) investing activities		**(273.1)**	**(312.9)**	**18.2**	**(96.1)**
Cash flows from financing activities					
Acquisition of treasury shares	5	(64.9)	(60.4)	(64.9)	(60.4)
Proceeds from loans granted and issued	7	350.0	361.5	451.5	420.8
Repayment of loans	7	(217.4)	(84.8)	(270.8)	(116.7)
Lease repayments		(33.0)	(28.2)	(17.3)	(21.0)
Dividends paid to Company's owners		(0.2)	-	(0.2)	-
Net cash flows from financing activities of discontinued operations		(4.0)	(8.9)	-	-
Net cash flows from financing activities		**30.5**	**179.2**	**98.3**	**222.7**
Net increase in cash and cash equivalents		**371.8**	**471.6**	**407.6**	**373.0**
Cash and cash equivalents, at the beginning of the period		516.2	1,058.3	105.5	560.6
Net foreign exchange differences		(0.9)	(1.2)	-	-
Transfer to sectors	4	-	-	(35.4)	-
Cash and cash equivalents of disposal group classified as held for sale, beginning of period		73.3	-	-	-
Cash and cash equivalents of disposal group classified as held for sale, end of period		(74.5)	-	-	-
Cash and cash equivalents, at the end of the period		**885.9**	**1,528.7**	**477.7**	**933.6**

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. The Company is listed on the Athens Stock 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 June 30, 2021 holds a 47.9% interest in OTE (see Note 5).

The OTE Group ("Group") includes other than the parent Company, all the entities which OTE controls directly or indirectly.

The Interim Condensed Consolidated and Separate Financial Statements ("interim financial statements") as of June 30, 2021 and for the six month period then ended, were approved for issuance by the Board of Directors on August 4, 2021.

The total numbers of Group and Company employees as of June 30, 2021 and 2020 and as of December 31, 2020 were as follows:

	GROUP	COMPANY
June 30, 2021	15,355	2,594
December 31, 2020	16,291	7,211
June 30, 2020	16,937	7,470

Group number of employees includes 3,681 employees of TELEKOM ROMANIA as of June 30, 2021 (classified as held for sale). The relevant number of employees as of December 31, 2020 and June 30, 2020 was 3,792 and 4,008 respectively.

In the context of the spin-off process, finalized on January 4, 2021, approximately 4,100 employees of OTE were transferred to the absorbing subsidiaries of the Group (see relevant section below).

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	
			30/06/2021	31/12/2020
COSMOTE MOBILE TELECOMMUNICATIONS SINGLE MEMBER 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	94.09%	94.09 %
COSMOTE TECHNICAL SERVICES S.A. ("CTS")	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%
TELEKOM ROMANIA MOBILE COMMUNICATIONS S.A. ("TELEKOM ROMANIA MOBILE")	Mobile telecommunications services	Romania	86.20%	86.20%

ENTITY NAME	LINE OF BUSINESS	COUNTRY	GROUP's OWNERSHIP INTEREST	
			30/06/2021	31/12/2020
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.

The transaction is expected to be completed within the second half of 2021.

The Group will retain ownership of TELEKOM ROMANIA MOBILE.

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, respectively.

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 has changed, with no effect on the Group's ownership interest.

2. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

These interim financial statements do not include all the information required in the annual financial statements and they should be read in conjunction with the annual audited financial statements as of December 31, 2020, which are available on the Company's website https://www.cosmote.gr/fixed/corporate/ir/financial-results/financial-statements-of-ote-group-and-ote-sa.

The interim 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.

In preparing these interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty, were the same as those applied to the annual audited financial statements as of December 31, 2020.

In early 2020, there was a global outbreak of coronavirus (COVID-19) which impacted the global supply and demand, including Greece. The extent to which COVID-19 will continue to affect the Company's and the Group's operations will largely depend on future developments which are highly uncertain and cannot be predicted at this point in time. Based on management's current assessment no deviation from the going concern basis is expected.

There is no seasonality in the Group's and the Company's operations.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared using accounting policies consistent with those adopted for the preparation of the annual financial statements as of December 31, 2020 and which are comprehensively presented in the notes of the annual financial statements, except for the adoption of the following new and amended IFRSs and IFRIC interpretations which became effective for the accounting periods beginning January 1, 2021, noted below.

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, 2021.

<u>Standards and Interpretations effective for the current financial year</u>

- **IFRS 16 (Amendment) "Covid-19-Related rent concessions"**: 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"**: 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"**: 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.

<u>Standards and Interpretations effective for subsequent periods</u>

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 16 (Amendment) "Covid-19-Related rent concessions"** (effective for annual periods beginning on or after April 1, 2021): The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before June 30, 2022. The amendment has not yet been endorsed by the EU.

- **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.

- **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.

- **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.

- **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.

- **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 reporting 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.

- **IAS 1 (Amendments) "Presentation of Financial Statements" and IFRS Practice Statement 2 "Disclosure of Accounting policies"** (effective for annual periods beginning on or after January 1, 2023): The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

- **IAS 8 (Amendments) "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates"** (effective for annual periods beginning on or after January 1, 2023): The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments have not yet been endorsed by the EU.

- **IAS 12 (Amendments) "Deferred tax related to Assets and Liabilities arising from a Single Transaction"** (effective for annual periods beginning on or after January 1, 2023): The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 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.

International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision

IAS 19 "Employee Benefits" - Attributing Benefit to Periods of Service: An agenda decision was published in May 2021 by the IFRIC in relation to IAS 19 "employee benefits" and more specifically to how the applicable principles and requirements in IFRS Standards apply to attributing benefit to periods of service. The impact on the Group's financial statements from the adoption of this decision cannot be reliably evaluated at this point in time.

4. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
(a) Investments in subsidiaries	-	-	3,100.0	3,083.7
(b) Other investments	0.1	0.1	0.1	0.1
TOTAL	**0.1**	**0.1**	**3,100.1**	**3,083.8**

(a) Investments in subsidiaries are analyzed as follows:

COMPANY	OTE's direct ownership interest 30/06/2021	Country of incorporation	30/06/2021	31/12/2020
COSMOTE	100.00%	Greece	2,763.6	2,763.4
COSMOTE PAYMENTS	100.00%	Greece	4.4	4.4
COSMOTE TV PRODUCTIONS	100.00%	Greece	3.8	3.8
COSMO-ONE	30.87%	Greece	0.5	0.5
OTESAT-MARITEL	94.08%	Greece	4.6	4.6
OTE PLC	100.00%	U.K.	0.1	0.1
CTS	85.54%	Greece	12.8	8.2
OTE ESTATE	100.00%	Greece	72.6	72.6
OTE GLOBE	100.00%	Greece	102.2	102.2
OTE INSURANCE	99.90%	Greece	0.1	0.1
OTE ACADEMY	100.00%	Greece	3.2	0.2
OTE RURAL NORTH	100.00%	Greece	1.8	1.8
OTE RURAL SOUTH	100.00%	Greece	2.2	2.2
GERMANOS	4.39%	Greece	6.4	-
COSMOTE E-VALUE	7.17%	Greece	2.1	-
TELEKOM ROMANIA MOBILE	70.00%	Romania	119.6	119.6
TOTAL			**3,100.0**	**3,083.7**

The movement of investments in subsidiaries is as follows:

COMPANY	2021
Carrying value January 1	**3,083.7**
Subsidiaries' share option plans (COSMOTE)	0.2
Participation in subsidiary (OTE ACADEMY)	3.0
Return of capital invested in subsidiary (GERMANOS)	(1.0)
Participation in subsidiaries due to spin-off (see section below "Agreement for the spin-off of the business sectors customer service, shops and technical field operations")	14.1
Carrying value June 30	**3,100.0**

DIVIDEND INCOME

The dividend income is analyzed as follows:

COMPANY	1st Half 2021	1st Half 2020
OTESAT-MARITEL	-	0.3
COSMOTE Group - Greece	-	150.0
OTE ESTATE	20.4	30.7
TOTAL	**20.4**	**181.0**

COMPANY'S PARTICIPATION IN OTE ACADEMY

In March 2021 the Board of Directors of OTE and the General Assembly of OTE ACADEMY respectively, decided the share capital increase of OTE ACADEMY for an amount of Euro 3.0. The respective transaction was executed in April 2021.

RETURN OF CAPITAL INVESTED IN GERMANOS

In May 2021 the Extraordinary Meeting of Shareholders of GERMANOS approved the reduction of the company's share capital by Euro 22.4. The respective amount of Euro 1.0 attributable to OTE, was received in June 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, respectively.

The spin-off procedure has been completed on January 4, 2021 upon registration in the Greek General Commercial Registry (Γ.Ε.ΜΗ.).
In the context of the spin-off process, the shareholders' structure of the entities COSMOTE E-VALUE, GERMANOS and CTS has changed, with no effect on the Group's ownership interest.

Following the completion of the process, the assets and liabilities, as they have been formed on January 4, 2021 were transferred from OTE to the Group's subsidiaries COSMOTE E-VALUE, GERMANOS and CTS, as follows:

Balances at the spin-off date (January 4, 2021)	OTE	COSMOTE E-VALUE (Customer Service)	GERMANOS (Shops)	CTS (Technical Field Operations)
Assets				
Property, plant and equipment	(6.4)	-	2.4	4.0
Right-of-use assets	(52.4)	5.3	21.0	26.1
Other intangible assets	(3.7)	1.9	0.2	1.6
Investments	14.1	-	-	-
Deferred tax assets	(22.6)	2.1	5.5	15.0
Other non-current assets	(26.6)	3.0	4.0	19.6
Total non-current assets	**(97.6)**	**12.3**	**33.1**	**66.3**
Inventories	(4.3)	-	4.3	-
Trade receivables	(7.7)	-	7.7	-
Other current assets	(0.5)	-	0.1	0.4
Cash and cash equivalents	(35.4)	5.0	0.4	30.0
Total current assets	**(47.9)**	**5.0**	**12.5**	**30.4**
Total Assets	**(145.5)**	**17.3**	**45.6**	**96.7**
Liabilities				
Provision for staff retirement indemnities	(75.7)	7.5	12.2	56.0
Lease liabilities	(42.6)	4.5	17.8	20.3
Other non-current liabilities	(0.2)	-	-	0.2
Total non-current liabilities	**(118.5)**	**12.0**	**30.0**	**76.5**
Trade payables	(7.4)	1.4	2.9	3.1
Lease liabilities	(12.1)	1.0	4.2	6.9
Provision for voluntary leave schemes	(0.9)	-	-	0.9
Other current liabilities	(7.4)	0.5	2.6	4.3
Total current liabilities	**(27.8)**	**2.9**	**9.7**	**15.2**
Total Liabilities	**(146.3)**	**14.9**	**39.7**	**91.7**
(Receivables) / Payables at the spin-off	**0.8**	**0.3**	**(1.5)**	**0.4**
Net assets	**-**	**2.1**	**7.4**	**4.6**

In the frame of the spin-off, approximately 4,100 employees were transferred from OTE to the absorbing subsidiaries. The line "Provision for staff retirement indemnities" includes the accrued respective provision in relation to these employees. In addition, the amounts included in the line "Other non-current assets" mainly refer to loans granted to these employees against the accrued indemnity payable upon retirement as well as miscellaneous relevant advances to personnel.

"Right-of-use assets" incorporate space leased (mainly buildings, shops and vehicles), necessary for operational purposes of the sectors. Finally, the line "(Receivables) / Payables at the spin-off" arises from the changes in net assets of the sectors between June 30, 2020 (date of the Accounting Statements) and January 4, 2021 when the spin-off process was concluded, upon registration in the Greek General Commercial Registry (Γ.Ε.ΜΗ.).

AGREEMENT FOR THE SALE OF TELEKOM ROMANIA - DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

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 transaction is expected to be completed within the second half of 2021.

The Group will retain ownership of TELEKOM ROMANIA MOBILE.

In the consolidated statement of financial position as of June 30, 2021 and 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 (fixed and mobile telecommunication services in Romania) and a separate cash generating unit. As a result, its operations 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 the statement of financial position of OTE as of June 30, 2021 and December 31, 2020 the Company's investment in OTE INTERNATIONAL INVESTMENTS LTD amounting to Euro 148.6 (December 31, 2021: Euro 148.7) 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 June 30, 2021 and December 31, 2020 were as follows:

TELEKOM ROMANIA	30/06/2021	31/12/2020
Assets		
Property, plant and equipment	263.0	241.1
Right-of-use assets	42.8	36.6
Telecommunication licenses	10.6	8.1
Other intangible assets	21.4	23.4
Other non-current assets	28.9	27.0
Total non-current assets	**366.7**	**336.2**
Other current assets	176.3	197.0
Cash and cash equivalents	74.5	73.3
Total current assets	**250.8**	**270.3**
Assets of disposal group classified as held for sale	**617.5**	**606.5**
Intragroup assets	11.7	17.2
Total Assets	**629.2**	**623.7**
Liabilities		
Non-current liabilities	51.0	54.6
Current liabilities	230.7	256.6
Liabilities of disposal group classified as held for sale	**281.7**	**311.2**
Intragroup liabilities	58.4	61.5
Total Liabilities	**340.1**	**372.7**

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	
	1st Half 2021	1st Half 2020
Retail service revenues	99.7	111.9
Wholesale services revenues	73.5	78.8
Other revenues	44.4	36.8
Total revenues from fixed business	**217.6**	**227.5**
Mobile service revenues	28.2	25.9
Handset revenues	7.3	8.9
Other revenues	0.6	0.7
Total revenues from mobile business	**36.1**	**35.5**
Miscellaneous other revenues	**22.1**	**27.7**
Total external revenues	**275.8**	**290.7**
Intragroup revenues	11.8	11.9
Total revenues	**287.6**	**302.6**
Other operating income	15.9	16.1
Total operating expenses before depreciation, amortization and impairment	(265.0)	(294.1)
Operating profit before financial and investing activities, depreciation, amortization and impairment	**38.5**	**24.6**
Depreciation, amortization and impairment	-	(14.5)
Operating profit before financial and investing activities	**38.5**	**10.1**
Total loss from financial and investing activities	**(0.8)**	**(8.2)**
Profit before tax	**37.7**	**1.9**
Income tax	0.5	-
Profit for the period	**38.2**	**1.9**
Other comprehensive profit / (loss) after tax	-	(2.1)
Total comprehensive profit / (loss) after tax	**38.2**	**(0.2)**

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	
	1st Half 2021	1st Half 2020
Mobile service revenues (external revenue)	5.5	5.2
Handset revenues (intragroup revenue)	7.5	8.8
Other revenues from mobile business (intragroup revenue)	35.2	31.7
Total revenues	**48.2**	**45.7**
Interconnection and roaming costs	(6.8)	(8.5)
Merchandise costs	(7.5)	(8.8)
Total operating expenses before depreciation, amortization and impairment	**(14.3)**	**(17.3)**
Operating profit before financial and investing activities, depreciation, amortization and impairment	**33.9**	**28.4**
Income tax	**(5.4)**	-
Profit for the period	**28.5**	**28.4**

NON-CONTROLLING INTERESTS

The Group's non-controlling interests amount to Euro 163.2 as of June 30, 2021 (December 31, 2020: Euro 144.0), out of which an amount of Euro 133.0 relates to TELEKOM ROMANIA (December 31, 2020: Euro 115.4), representing the 45.99% on TELEKOM ROMANIA's equity, which is owned by the Romanian State and an amount of Euro 28.7 relates to TELEKOM ROMANIA

MOBILE (December 31, 2020: Euro 27.1), representing the 13.80% on TELEKOM ROMANIA MOBILE's equity, which is indirectly owned by the Romanian State.

5. SHARE CAPITAL - SHARE PREMIUM - TREASURY SHARES

The Extraordinary General Meeting of Shareholders of February 20, 2020 approved a new Share Repurchase Program for a 24-months' duration.

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.

Following this cancellation, OTE's share capital as of June 30, 2021 amounted to Euro 1,302.4 (December 31, 2020: Euro 1,330.6) divided into 460,208,620 registered shares, with a nominal value of Euro 2.83 (in absolute amount) per share.

As a result of the aforementioned cancellation of treasury shares, a reduction of Euro 10.1 and Euro 83.3 was recognized in share premium and retained earnings, respectively.

The share premium as of June 30, 2021 amounted to Euro 466.5 (December 31, 2020: Euro 476.4).

Within the framework of the new Share Repurchase Program, during the period from January 1, 2021 to June 30, 2021 OTE acquired 4,623,967 treasury shares amounting to Euro 65.6.

The following is an analysis of the ownership of OTE's shares as of June 30, 2021:

Shareholder	Number of shares	Percentage %
DEUTSCHE TELEKOM AG	220,567,676	47.9%
Hellenic State	4,901,507	1.1%
e-E.F.K.A. (refers only to the transfer of 4% from the Hellenic State)	19,606,015	4.3%
Free float	209,649,022	45.5%
Treasury shares	5,484,400	1.2%
TOTAL	**460,208,620**	**100.00%**

The movement of the treasury shares is presented in the table below:

	Number of shares	Amount
Treasury shares as at January 1, 2021	**10,826,389**	**132.2**
Treasury shares acquired during the period	4,623,967	65.6
Cancellation of treasury shares	(9,965,956)	(121.6)
Treasury shares as at June 30, 2021	**5,484,400**	**76.2**

The Ordinary General Meeting of Shareholders of June 9, 2021 approved the cancellation of 3,469,500 treasury shares, acquired during the period from November 1, 2020 to April 30, 2021, together with the corresponding reduction in the Company's share capital of Euro 9.8 and amendment of the Company's Articles of Incorporation.

On July 14, 2021, following notification to the Corporate Actions Committee of the Athens Stock Exchange and the completion of other legal and regulatory procedures, the aforementioned 3,469,500 shares were cancelled and delisted from the Athens Stock Exchange effective from July 19, 2021.

6. DIVIDENDS

On June 9, 2021, the General Assembly of OTE's Shareholders approved the distribution of dividend of a total amount of Euro 312.9 or Euro 0.687878 (in absolute amount) per share.

The amount of dividends payable for the Group and the Company as of June 30, 2021 amounted to Euro 314.9 and Euro 314.8, respectively (December 31, 2020: Euro 2.2 and Euro 2.1).

7. LONG-TERM AND SHORT-TERM BORROWINGS

LONG – TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	30/06/2021	31/12/2020
(a) Bank loans	92.3	103.8
(b) Global Medium-Term Note Programme ("GMTN") of OTE PLC	1,094.9	894.1
Total long-term debt	**1,187.2**	**997.9**
Short-term portion of long-term debt	(23.1)	(23.1)
Long-term borrowings	**1,164.1**	**974.8**

The analysis of the Group's long-term debt is as follows:

Description	Rate	Maturity	31/12/2020		30/06/2021				
			Outstanding nominal value	Book value	New loans	Repayments/ Prepayments	Amortization of expenses	Outstanding nominal value	Book value
a) Bank loans									
EIB loan Euro 150.0	2.805%	23/01/2025	103.8	103.8	-	(11.5)	-	92.3	92.3
b) Global Medium-Term Programme of OTE PLC									
Euro 400.0 Notes	2.375%	18/07/2022	400.0	398.8	-	-	0.4	400.0	399.2
Euro 500.0 Notes	0.875%	24/09/2026	500.0	495.3	-	-	0.4	500.0	495.7
Euro 200.0 Notes	0.627%	12/05/2028	-	-	200.0	-	-	200.0	200.0
			1,003.8	**997.9**	**200.0**	**(11.5)**	**0.8**	**1,192.3**	**1,187.2**

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.

The Euro 200.0 7-year Notes which were issued on May 14, 2021 by OTE PLC under the GMTN Programme, were fully subscribed by DEUTSCHE TELEKOM AG.

For the Group, as of June 30, 2021, the short-term portion of long term debt amounts to Euro 23.1 under the EIB loan.

COMPANY	30/06/2021	31/12/2020
Intragroup loans	1,196.4	894.1
Total long-term debt	**1,196.4**	**894.1**
Short-term portion of long-term borrowings	-	-
Long-term borrowings	**1,196.4**	**894.1**

Company's long-term loans refer to bond loans granted by OTE PLC.

The analysis of the Company's long-term loans is as follows:

Description	Maturity	31/12/2020		30/06/2021				
		Outstanding nominal value	Book value	New loans	Repayments / Prepayments	Amortization of expenses	Outstanding nominal value	Book value
Intragroup loans								
Euro 400.0 bond loan	18/07/2022	400.0	398.8	-	-	0.4	400.0	399.2
Euro 500.0 bond loan	24/09/2026	500.0	495.3	-	-	0.4	500.0	495.7
Euro 101.5 bond loan	15/06/2023	-	-	101.5	-	-	101.5	101.5
Euro 200.0 bond loan	12/05/2028	-	-	200.0	-	-	200.0	200.0
		900.0	**894.1**	**301.5**	**-**	**0.8**	**1,201.5**	**1,196.4**

SHORT –TERM BORROWINGS

GROUP

The Group's outstanding balance of short-term borrowings as of June 30, 2021 amounted to Euro 150.1 (December 31, 2020: Euro 205.9), relating to Euro 150.1 Notes of OTE PLC.

The analysis of short- term loans is as follows:

Description	Maturity date	31/12/2020	30/06/2021			
		Book value	New loans	Repayments/ Prepayments	Issuance above par	Book value
a) Bank loans						
TELEKOM ROMANIA MOBILE credit facility	13/03/2021	5.9	-	(5.9)	-	-
b) Global Medium-Term Programme of OTE PLC						
Euro 200.0 Notes	10/06/2021	200.0	-	(200.0)	-	-
Euro 150.0 Notes	12/11/2021	-	150.0	-	0.1	150.1
		205.9	**150.0**	**(205.9)**	**0.1**	**150.1**

The Euro 150.0 Notes which were issued on May 14, 2021 by OTE PLC under the GMTN Programme were fully subscribed by DEUTSCHE TELEKOM AG.

The Euro 200.0 Notes which were issued on June 18, 2020 by OTE PLC and were fully subscribed by DEUTSCHE TELEKOM AG, were fully repaid on June 10, 2021.

COMPANY

The outstanding balance of short-term borrowings as of June 30, 2021 for the Company amounted to Euro 150.1 (December 31, 2020: Euro 270.8).

The analysis of short- term loans is as follows:

Description	Maturity date	31/12/2020	30/06/2021			
		Book value	New loans	Repayments/Prepayments	Issuance above par	Book value
Intragroup Loans						
Euro 200.0 bond loan	10/06/2021	200.0	-	(200.0)	-	-
Euro 70.8 bond loan	17/06/2021	70.8	-	(70.8)	-	-
Euro 150.0 bond loan	12/11/2021	-	150.0	-	0.1	150.1
		270.8	**150.0**	**(270.8)**	**0.1**	**150.1**

Company's short-term loan refer to bond loan granted by OTE PLC.

8. PROVISIONS FOR VOLUNTARY LEAVE SCHEME

OTE Voluntary Leave Scheme

In the first half of 2021, OTE proceeded to the implementation of voluntary leave schemes, the respective cost of which amounted to Euro 1.3.

Other voluntary leave schemes

In the first half of 2021, the operating segments, COSMOTE Group – Greece, TELEKOM ROMANIA MOBILE and Other, implemented voluntary leave schemes, the total cost of which was Euro 1.5, Euro 0.1 and Euro 1.8, respectively.

The total cost of the above mentioned programs for the first half of 2021, amounted to Euro 4.7 and Euro 1.3 for the Group and the Company, respectively. Amounts paid during the first half of 2021, in relation to voluntary leave schemes were Euro 47.7 for the Group and Euro 41.6 for the Company, mainly referring to prior year accrued liabilities.

9. INCOME TAXES

According to law 4799/2021, the corporate income tax rate in Greece is reduced from 24% to 22% for fiscal years 2021 onwards.

The corporate income tax rate in Romania is 16%.

Unaudited tax years

The Company and its subsidiaries have not been audited with respect to the years described below and, therefore, the tax liabilities for these open years have not been finalized:

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	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

- COSMOTE has received a tax audit notification for year 2018. The audit is in progress.

- 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 years 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.

For the Greek companies of the Group that are subject to the Tax Certificate process, the tax audit for the financial year 2020 is performed by PricewaterhouseCoopers S.A. and the "Tax Compliance Report" will be issued in the last quarter of 2021.

The major components of income tax expense are as follows:

GROUP	1st Half	
	2021	2020
Current income tax	92.4	71.3
Deferred income tax	27.7	(1.8)
Total income tax	**120.1**	**69.5**

COMPANY	1st Half	
	2021	2020
Current income tax	49.8	36.2
Deferred income tax	15.7	4.1
Total income tax	**65.5**	**40.3**

The deferred income tax includes an expense of Euro 26.3 for the Group and Euro 12.8 for the Company that resulted from the reassessment of deferred tax assets and liabilities due to the reduction of the income tax rate in Greece.

Income tax payable for the Group and the Company as of June 30, 2021 amounted to Euro 141.0 and 32.7, respectively (December 31, 2020: Euro 76.2 and Euro 7.9, respectively).

Income tax receivable for the Group and the Company as of June 30, 2021 amounted to Euro 6.3 and Euro nil, respectively (December 31, 2020: Euro 32.0 and Euro 24.6 respectively) and is recorded under "Other current assets".

10. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

GROUP	1st Half	
	2021	2020
Gain from disposal of property, plant and equipment	1.0	2.9
Income from subsidies	1.5	0.5
Income from related parties (see Note 14)	0.1	-
Other	3.0	3.1
TOTAL	**5.6**	**6.5**

COMPANY	1st Half	
	2021	2020
Gain from disposal of property, plant and equipment	0.1	2.4
Income from subsidies	1.1	0.4
Income from related parties (see Note 14)	12.0	0.2
Other	0.6	1.1
TOTAL	**13.8**	**4.1**

11. EARNINGS PER SHARE

Earnings / (losses) per share (after income taxes) are calculated by dividing the profit / (loss) attributable to the owners of the Company by the weighted average number of shares outstanding during the period including, for the diluted earnings per share, the number of any possible share options outstanding at the end of the period that have a dilutive effect on earnings per share.

Earnings per share are analyzed as follows:

	1st Half	
GROUP	2021	2020
Profit attributable to owners of the parent	**222.0**	**181.0**
Profit for the period from continuing operations (attributable to owners of the parent)	176.8	155.5
Profit for the period from discontinued operations (attributable to owners of the parent)	45.2	25.5
Weighted average number of shares for basic earnings per share	457,465,621	468,768,679
Weighted average number of shares adjusted for the effect of dilutions	457,465,621	468,768,679
Basic earnings per share	**0.4853**	**0.3861**
From continuing operations	0.3865	0.3317
From discontinued operations	0.0988	0.0544
Diluted earnings per share	**0.4853**	**0.3861**
From continuing operations	0.3865	0.3317
From discontinued operations	0.0988	0.0544

Earnings per share are in absolute amounts.

12. CONTRACT BALANCES

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

	GROUP		COMPANY	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
Contract costs (short-term portion)	18.9	19.6	4.6	3.3
Contract costs (long-term portion)	4.5	5.0	3.1	2.2
Total contract costs	**23.4**	**24.6**	**7.7**	**5.5**
Contract assets (short-term portion)	17.3	15.1	1.8	0.4
Contract assets (long-term portion)	13.7	13.6	-	-
Total contract assets	**31.0**	**28.7**	**1.8**	**0.4**
Total assets	**54.4**	**53.3**	**9.5**	**5.9**
Contract liabilities (short-term portion)	125.8	121.8	82.3	74.3
Contract liabilities (long-term portion)	24.8	25.4	40.6	44.1
Total liabilities	**150.6**	**147.2**	**122.9**	**118.4**

13. 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, the Group's financing subsidiary, OTE PLC, as well as the Group’s technical field operations subsidiary, CTS. 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 - Greece is a provider of mobile telecommunications, retail operations (shops) and customer services.
- 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 and mobile 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 4).

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 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 of prior periods 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 period.

Segment information and reconciliation to the Group's consolidated figures are as follows:

Six month period ended June 30, 2021	OTE	COSMOTE Group – Greece	TELEKOM ROMANIA MOBILE	OTHER	TOTAL	Elim.	GROUP
Retail services revenues (fixed business)	467.4	1.7	-	-	469.1	-	469.1
Service revenues (mobile business)	-	455.4	107.2	-	562.6	-	562.6
Revenue from the sale of goods and merchandise	0.5	100.8	28.5	1.9	131.7	-	131.7
Revenues from the use of assets	81.4	-	1.1	1.5	84.0	-	84.0
Other revenues	186.7	16.7	8.1	156.5	368.0	-	368.0
External revenue	**736.0**	**574.6**	**144.9**	**159.9**	**1,615.4**	-	**1,615.4**
Revenues from discontinued operations	-	1.9	6.9	0.2	9.0	(9.0)	-
Intersegment revenue	34.8	80.4	0.1	130.7	246.0	(246.0)	-
Total revenue	**770.8**	**656.9**	**151.9**	**290.8**	**1,870.4**	**(255.0)**	**1,615.4**
Operating profit before financial and investing activities, depreciation, amortization and impairment	363.2	263.9	18.3	35.3	680.7	(31.8)	648.9
Costs related to voluntary leave schemes	(1.3)	(1.5)	(0.1)	(1.8)	(4.7)	-	(4.7)
Other restructuring costs and non-recurring litigations	-	-	(1.5)	-	(1.5)	-	(1.5)
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	364.5	265.4	19.9	37.1	686.9	(31.8)	655.1
Depreciation, amortization and impairment	(177.1)	(139.6)	(20.8)	(20.8)	(358.3)	28.2	(330.1)
Operating profit / (loss) before financial and investing activities	186.1	124.3	(2.5)	14.5	322.4	(3.6)	318.8
Dividend income	20.4	-	-	-	20.4	(20.4)	-
Interest income	0.6	0.2	-	9.3	10.1	(9.7)	0.4
Interest and related expenses	(16.1)	(11.3)	(1.8)	(10.3)	(39.5)	15.5	(24.0)
Income tax	(65.5)	(35.1)	(8.9)	(10.4)	(119.9)	(0.2)	(120.1)
Profit / (loss) for the period from continuing operations	126.3	78.4	(14.8)	3.3	193.2	(18.4)	174.8
Purchase of property plant and equipment and intangible assets	134.0	69.0	27.0	8.2	238.2	-	238.2

Six month period ended June 30, 2020	OTE	COSMOTE Group – Greece	TELEKOM ROMANIA MOBILE	OTHER	TOTAL	Elim.	GROUP
Retail services revenues (fixed business)	464.8	0.9	-	-	465.7	-	465.7
Service revenues (mobile business)	-	440.0	115.0	-	555.0	-	555.0
Revenue from the sale of goods and merchandise	11.6	58.9	46.5	1.2	118.2	-	118.2
Revenues from the use of assets	86.5	-	1.3	1.4	89.2	-	89.2
Other revenues	168.1	4.7	6.7	155.8	335.3	-	335.3
External revenue	**731.0**	**504.5**	**169.5**	**158.4**	**1,563.4**	-	**1,563.4**
Revenues from discontinued operations	-	2.2	5.9	0.3	8.4	(8.4)	-
Intersegment revenue	49.7	64.1	0.1	58.9	172.8	(172.8)	-
Total revenue	**780.7**	**570.8**	**175.5**	**217.6**	**1,744.6**	**(181.2)**	**1,563.4**
Operating profit before financial and investing activities, depreciation, amortization and impairment	335.1	224.5	20.1	29.1	608.8	(33.3)	575.5
Costs related to voluntary leave schemes	(46.2)	(6.7)	(0.2)	-	(53.1)	-	(53.1)
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	381.3	231.2	20.3	29.1	661.9	(33.3)	628.6
Depreciation, amortization and impairment	(171.6)	(127.7)	(29.7)	(17.5)	(346.5)	27.7	(318.8)
Operating profit / (loss) before financial and investing activities	163.5	96.8	(9.6)	11.6	262.3	(5.6)	256.7
Dividend income	181.0	-	-	-	181.0	(181.0)	-
Interest income	1.3	0.3	0.2	21.3	23.1	(22.3)	0.8
Interest and related expenses	(29.2)	(11.8)	(1.1)	(22.3)	(64.4)	31.3	(33.1)
Income tax	(40.3)	(25.4)	-	(3.0)	(68.7)	(0.8)	(69.5)
Profit / (loss) for the period from continuing operations	275.9	59.7	(10.9)	7.7	332.4	(178.4)	154.0
Purchase of property plant and equipment and intangible assets	177.3	75.3	25.7	4.3	282.6	-	282.6

30/06/2021	OTE	COSMOTE Group – Greece	TELEKOM ROMANIA MOBILE	OTHER	TOTAL	Elim.	GROUP
Segment assets from continuing operations	2,772.9	2,375.0	353.7	2,025.3	7,526.9	(1,993.2)	5,533.7
Segment liabilities from continuing operations	3,013.4	1,044.5	191.1	1,609.5	5,858.5	(1,993.2)	3,865.3

Assets and liabilities from continuing operations for the segment TELEKOM ROMANIA MOBILE, as of June 30, 2021, do not include an amount of Euro 56.4 and Euro 11.0 respectively, related to discontinued operations.

31/12/2020	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.

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” as of June 30, 2021 include loans and interest receivable by OTE PLC of an amount of Euro 1,364.2 (December 31, 2020: Euro 1,177.6) 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, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations is as follows:

Six month period ended June 30, 2021	GREECE	ROMANIA	Elim.	TOTAL
Total revenues	1,475.7	151.9	(12.2)	1,615.4
Operating profit before financial and investing activities, depreciation, amortization and impairment	630.7	18.3	(0.1)	648.9
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	635.3	19.9	(0.1)	655.1

Six month period ended June 30, 2020	GREECE	ROMANIA	Elim.	TOTAL
Total revenues	1,399.1	175.5	(11.2)	1,563.4
Operating profit before financial and investing activities, depreciation, amortization and impairment	555.5	20.1	(0.1)	575.5
Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations	608.4	20.3	(0.1)	628.6

14. 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 OTE Group are eliminated on consolidation.

DEUTSCHE TELEKOM AG is a 47.9% 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:

	1st Half 2021		1st Half 2020	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE Group - Greece	28.0	75.3	41.5	63.5
COSMOTE TV PRODUCTIONS	-	3.2	-	3.2
COSMO-ONE	-	0.2	-	0.2
OTESAT-MARITEL	0.2	-	0.2	0.2
CTS	0.1	73.8	-	0.6
OTE ESTATE	0.1	0.1	0.2	3.5
OTE GLOBE	3.4	16.7	5.3	17.7
OTE ACADEMY	-	1.3	-	0.5
TELEKOM ROMANIA	-	0.2	-	-
TELEKOM ROMANIA MOBILE	-	-	0.1	-
OTE RURAL NORTH	1.3	1.9	1.0	1.2
OTE RURAL SOUTH	1.7	2.8	1.4	2.0
DEUTSCHE TELEKOM group of companies (except for OTE Group)	6.0	2.3	10.5	2.6
TOTAL	**40.8**	**177.8**	**60.2**	**95.2**

Purchases of OTE from CTS include network construction services amounting Euro 8.9 for the first half of 2021 (first half of 2020: Euro nil).

Following the adoption of IFRS 16, for the first half of 2021 purchases of OTE from related parties do not include an amount of Euro 17.8 related to lease expenses (first half of 2020: Euro 21.4).

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

	1st Half 2021		1st Half 2020	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	16.9	28.0	20.9	19.7
TOTAL	16.9	28.0	20.9	19.7

For the first half of 2021, Group's sales to DEUTSCHE TELEKOM group of companies include an amount of Euro 3.2 related to discontinued operations (first half of 2020: Euro 2.7) and Group's purchases include an amount of Euro 15.1 related to discontinued operations (first half of 2020: Euro 5.5).

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

	Other operating income OTE	
	1st Half 2021	1st Half 2020
COSMOTE Group - Greece	6.9	0.1
OTE ACADEMY	0.1	0.1
OTE GLOBE	0.1	-
CTS	4.9	-
TOTAL	12.0	0.2

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	
	1st Half 2021	1st Half 2020
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.1	-
TOTAL	0.1	-

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:

	1st Half 2021		1st Half 2020	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	9.2	-	21.3
COSMOTE Group - Greece	0.1	0.1	0.1	0.2
OTE RURAL NORTH	-	-	0.5	-
OTE RURAL SOUTH	0.2	0.1	0.2	0.1
OTE ESTATE	-	3.0	-	6.0
TOTAL	0.3	12.4	0.8	27.6

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

	Dividend income OTE	
	1st Half 2021	1st Half 2020
OTESAT-MARITEL	-	0.3
COSMOTE Group - Greece	-	150.0
OTE ESTATE	20.4	30.7
TOTAL	**20.4**	**181.0**

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

	30/06/2021		31/12/2020	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE Group - Greece	27.6	159.6	184.8	162.6
TELEKOM ROMANIA MOBILE	0.1	-	0.4	-
COSMOTE TV PRODUCTIONS	-	1.7	0.1	1.7
COSMO-ONE	-	0.3	-	-
OTESAT-MARITEL	5.3	-	5.1	0.2
CTS	4.8	33.6	-	0.5
COSMOTE PAYMENTS	0.1	-	-	-
OTE ESTATE	21.8	202.9	1.8	226.6
OTE GLOBE	2.6	11.0	2.8	15.8
OTE ACADEMY	-	0.5	0.5	0.4
TELEKOM ROMANIA	0.6	0.1	1.6	-
OTE RURAL NORTH	0.4	2.1	0.5	1.0
OTE RURAL SOUTH	0.6	4.2	0.7	2.0
DEUTSCHE TELEKOM group of companies (except for OTE Group)	3.6	155.3	3.0	3.0
TOTAL	**67.5**	**571.3**	**201.3**	**413.8**

Amounts owed by OTE to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 151.7 as of June 30, 2021 (December 31, 2020: Euro nil).

Amounts owed to OTE by OTE ESTATE and OTESAT-MARITEL include dividend receivable amounting to Euro 20.4, and Euro 0.9 as of June 30, 2021, respectively (December 31, 2020: COSMOTE Group – Greece and OTESAT-MARITEL amounting to Euro 150.0 and Euro 0.9, 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:

	Lease liabilities OTE	
	30/06/2021	31/12/2020
OTE ESTATE	154.8	203.3
COSMOTE Group - Greece	2.8	6.3
OTE RURAL NORTH	1.0	0.6
OTE RURAL SOUTH	2.0	1.0
TOTAL	**160.6**	**211.2**

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:

	30/06/2021		31/12/2020	
	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)	11.8	661.1	10.3	357.9
TOTAL	**11.8**	**661.1**	**10.3**	**357.9**

Amounts owed by OTE to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 151.7 as of June 30, 2021 (December 31, 2020: Euro nil).

As of June 30, 2021, amounts owed to Group include an amount of Euro 0.9 related to discontinued operations (December 31, 2020: Euro 1.8) and amounts owed by Group include an amount of Euro 19.7 related to discontinued operations (December 31, 2020: Euro 16.7).

Amounts owed by Group to DEUTSCHE TELEKOM group of companies (except for OTE Group) as of June 30, 2021 include an amount of Euro 450.0 (nominal amount) related to Notes issued by OTE PLC (see note 7) and subscribed partially or in full by DEUTSCHE TELEKOM AG (December 31, 2020: Euro 300.0 nominal amount).

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

	30/06/2021		31/12/2020	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	1,359.5	-	1,172.1
COSMOTE Group - Greece	0.1	-	0.1	-
OTE RURAL NORTH	6.0	-	6.1	-
OTE RURAL SOUTH	8.5	-	8.6	-
TOTAL	**14.6**	**1,359.5**	**14.8**	**1,172.1**

Amounts owed by OTE to OTE PLC relating to loans include interest payable amounting to Euro 13.0 (December 31, 2020: Euro 7.2).

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").

Compensation to the members of the Board of Directors and OTE's key management personnel amounted to Euro 6.8 for the first half of 2021 (first half of 2020: Euro 2.8). The change compared to the first half of 2020 is due to different settlement period of variable benefits.

15. LITIGATION AND CLAIMS

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

There are no significant developments with respect to the litigations and claims referred to the financial statements as of December 31, 2020, except for the following:

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 print, 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. On April 23, 2021 an online hearing took place before DPA. Both COSMOTE and OTE were invited to the hearing. OTE's call at this hearing probably relates to the fact that the point used for the cyber-attack to COSMOTE was a website hosted on OTE infrastructure (Webhosting). A memorandum was submitted on May 24, 2021. DPA will decide whether another hearing will take place for further clarification. The hearing before ADAE is expected to take place within the second half of 2021.

16. 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 that have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period 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:

	Carrying Amount		Fair value	
GROUP	**30/06/2021**	**31/12/2020**	**30/06/2021**	**31/12/2020**
Financial Assets				
Trade receivables	459.7	433.1	459.7	433.1
Loans to pension funds	77.5	79.3	108.7	115.8
Loans and advances to employees	37.9	37.3	37.9	37.3
Guarantees	6.7	7.2	6.7	7.2
Guaranteed receipt from Grantor (Financial asset model)	5.4	4.2	5.4	4.2
Restricted cash	1.9	2.3	1.9	2.3
Cash and cash equivalents	885.9	516.2	885.9	516.2
Financial Liabilities				
Long-term borrowings	1,164.1	974.8	1,201.3	1,019.3
Short-term borrowings	150.1	205.9	150.1	206.9
Short-term portion of long-term borrowings	23.1	23.1	24.3	24.4
Lease liabilities	341.1	351.8	341.1	351.8
Trade accounts payable	688.3	719.8	688.3	719.8
Interest payable	14.0	8.1	14.0	8.1
Liability for TV broadcasting rights (long-term)	77.9	83.2	77.9	83.2

COMPANY	Carrying Amount		Fair value	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
Financial Assets				
Trade receivables	256.5	250.4	256.5	250.4
Loans to pension funds	77.5	79.3	108.7	115.8
Loans and advances to employees	9.3	35.8	9.3	35.8
Guarantees	0.3	0.5	0.3	0.5
Other receivables from related parties	27.5	158.0	27.5	158.0
Loans to group companies	14.5	14.5	16.8	17.1
Cash and cash equivalents	477.7	105.5	477.7	105.5
Financial Liabilities				
Long-term borrowings	1,196.4	894.1	1,232.0	935.4
Short-term borrowings	150.1	270.8	150.1	272.2
Lease liabilities	170.4	240.1	170.4	240.1
Trade accounts payable	361.7	371.5	361.7	371.5
Interest payable	13.3	7.4	13.3	7.4
Liability for TV broadcasting rights (long-term)	77.9	83.2	77.9	83.2

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 June 30, 2021, the Group and the Company held the following financial instruments measured at fair value:

GROUP	Fair value		Fair value hierarchy
	30/06/2021	31/12/2020	
Financial Assets			
Investments in mutual funds	5.1	4.7	Level 1
Investments in mutual funds	0.7	0.7	Level 3

COMPANY	Fair value		Fair value hierarchy
	30/06/2021	31/12/2020	
Financial Assets			
Investments in mutual funds	3.0	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 June 30, 2021.

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 containment measures are imposed when necessary, 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.

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 and 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.

In this context, potential impacts on the collectability of receivables are evaluated, due to the coronavirus pandemic in the country and worldwide.

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 pension funds mainly due to prior years' voluntary leave schemes. The latter loans are exposed to credit risk related to the debt servicing capacity of the pension fund.

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 June 30, 2021 amount to Euro 891.7 and Euro 480.7 respectively and their short-term borrowings and their short-term portion of long-term borrowings amount to Euro 173.2 and Euro 150.1, 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. The Group's exposure to the risk of changes in interest rates relates primarily to the Group's long-term borrowings.

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 Greece and Romania 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).

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 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 1, 2019), less cash and cash equivalents.

GROUP	30/06/2021	31/12/2020
Long-term borrowings	1,164.1	974.8
Short-term borrowings	150.1	205.9
Short-term portion of long-term borrowings	23.1	23.1
Lease liabilities (long-term portion)	280.2	290.6
Lease liabilities (short-term portion)	60.9	61.2
Cash and cash equivalents	(885.9)	(516.2)
Net debt	**792.5**	**1,039.4**
Total equity	2,004.2	2,139.8
Gearing ratio	**0.40x**	**0.49x**

COMPANY	30/06/2021	31/12/2020
Long-term borrowings	1,196.4	894.1
Short-term borrowings	150.1	270.8
Lease liabilities (long-term portion)	139.7	195.3
Lease liabilities (short-term portion)	30.7	44.8
Cash and cash equivalents	(477.7)	(105.5)
Net debt	**1,039.2**	**1,299.5**
Total equity	3,008.6	3,259.2
Gearing ratio	**0.35x**	**0.40x**

17. RECLASSIFICATIONS

In the interim separate income statement of the first half of 2020, an amount of Euro 4.0, has been reclassified from "Other sundry operating expenses" to "Merchandise costs" for better presentation.

18. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after June 30, 2021, are as follows:

OTE

Share Buyback Program

Until August 3, 2021, within the framework of the Share Repurchase Program approved by the General Meeting of Shareholders on February 20, 2020, OTE had acquired 5,889,546 own shares for a total value of Euro 84.1.

Cancellation of Own Shares

The Ordinary General Meeting of Shareholders of June 9, 2021 approved the cancellation of 3,469,500 treasury shares, acquired during the period from November 1, 2020 to April 30, 2021, together with the corresponding reduction in the Company's share capital of Euro 9.8 and amendment of the Company's Articles of Incorporation.

On July 14, 2021, following notification to the Corporate Actions Committee of the Athens Stock Exchange and the completion of other legal and regulatory procedures, the aforementioned 3,469,500 shares were cancelled and delisted from the Athens Stock Exchange effective from July 19, 2021.

Agreement for TELEKOM ROMANIA disposal

On July 28, 2021 the European Commission ("EC") approved conditionally, the agreement announced on November 9, 2020 between the Group and Orange Romania for the sale of the 54.01% stake in TELEKOM ROMANIA.

Specifically, the approval is conditional on TELEKOM ROMANIA divesting its 30.00% stake in TELEKOM ROMANIA MOBILE. Currently OTE holds the remaining 70.00%.

OTE intends to acquire this 30.00% stake from TELEKOM ROMANIA subject to required approvals. On the basis of an agreed enterprise value of Euro 109.0 for 100.00% of TELEKOM ROMANIA MOBILE, the value of the 30.00% stake held by TELEKOM ROMANIA has been established at Euro 32.8. The final purchase price will be determined after final adjustments for net debt and working capital of TELEKOM ROMANIA MOBILE. Based on current forecasts, the estimated purchase price is approximately Euro 59.5 and it will be concluded once the final net debt and working capital are available.

Following the approval, completion of the transaction between the Group and Orange Romania for the sale of TELEKOM ROMANIA, is expected to be completed within the second half of 2021.

COSMOTE

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

On July 23, 2021, Cosmote paid principal installment of Euro 11.5 under the term loan facility with EIB, along with the accrued interest.

IV. FINANCIAL DATA AND INFORMATION

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Greek General Commercial Registry ("Γ.Ε.ΜΗ.") 001037501000

REGISTERED OFFICE: 99 KIFISSIAS AVE - 15124 MAROUSSI, ATHENS

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM JANUARY 1, 2021 TO JUNE 30, 2021

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
Date of approval of financial statements from the Board of Directors: August 4, 2021
The Certified Auditor: Fotis Smirnis (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. Catherine de Dorlodot, Independent Non-Executive Member
9. Dimitrios Georgoutsos, Independent Non - Executive Member
10. Grigorios Zarifopoulos, Non-Executive Member

DATA FROM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
ASSETS				
Property, plant and equipment	2,055.3	2,060.6	1,244.9	1,250.3
Right-of-use assets	346.9	362.1	167.2	235.5
Intangible assets	1,096.0	1,145.6	261.0	284.8
Other non current assets	494.9	536.7	3,367.7	3,419.4
Inventories	40.5	26.9	5.1	7.6
Trade receivables	459.7	433.1	256.5	250.4
Other current assets	154.5	180.2	93.4	254.4
Cash and cash equivalents	885.9	516.2	477.7	105.5
Assets of disposal group classified as held for sale	617.5	606.5	148.6	148.7
TOTAL ASSETS	**6,151.2**	**5,867.9**	**6,022.1**	**5,956.6**
EQUITY AND LIABILITIES				
Share capital	1,302.4	1,330.6	1,302.4	1,330.6
Other equity items	538.6	665.2	1,706.2	1,928.6
Equity attributable to owners of the parent (a)	1,841.0	1,995.8	3,008.6	3,259.2
Non-controlling interests (b)	163.2	144.0	-	-
Total equity (c) = (a) + (b)	**2,004.2**	**2,139.8**	**3,008.6**	**3,259.2**
Long-term borrowings	1,164.1	974.8	1,196.4	894.1
Lease liabilities (long-term)	280.2	290.6	139.7	195.3
Provisions / Other non-current liabilities	378.3	397.9	320.6	414.5
Short-term borrowings	173.2	229.0	150.1	270.8
Lease liabilities (short-term)	60.9	61.2	30.7	44.8
Other current liabilities	1,808.6	1,463.4	1,176.0	877.9
Liabilities of disposal group classified as held for sale	281.7	311.2	-	-
Total liabilities (d)	**4,147.0**	**3,728.1**	**3,013.5**	**2,697.4**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**6,151.2**	**5,867.9**	**6,022.1**	**5,956.6**

DATA FROM STATEMENTS OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	01.01-30.06.2021	01.01-30.06.2020	01.01-30.06.2021	01.01-30.06.2020
Total revenues	1,615.4	1,563.4	770.8	780.7
Profit before taxes, investment and financial activities	**318.8**	**256.7**	**186.1**	**163.5**
Profit before tax	294.9	223.5	191.8	316.2
Profit for the period from continuing operations	**174.8**	**154.0**	**126.3**	**275.9**
Profit from discontinued operations	66.7	30.3	-	-
Profit after tax (A)	**241.5**	**184.3**	**126.3**	**275.9**
Attributable to:				
- Owners of the parent	222.0	181.0	126.3	275.9
- Non-controlling interests	19.5	3.3	-	-
Other comprehensive income / (loss) after tax (B)	**1.2**	**(4.5)**	**1.4**	**1.2**
Total comprehensive income after tax (A) + (B)	**242.7**	**179.8**	**127.7**	**277.1**
Attributable to:				
- Owners of the parent	223.5	177.9	127.7	277.1
- Non-controlling interests	19.2	1.9	-	-
Basic earnings per share (in €) from continuing operations	**0.3865**	**0.3317**	**-**	**-**
Profit before taxes, investment, financial activities and depreciation, amortization and impairment	**648.9**	**575.5**	**363.2**	**335.1**

DATA FROM STATEMENTS OF CHANGES IN EQUITY (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Total equity at the beginning of the period (01.01.2021 and 01.01.2020)	**2,139.8**	**2,183.1**	**3,259.2**	**3,154.6**
Total comprehensive income after tax	242.7	179.8	127.7	277.1
Dividend distribution	(312.9)	(258.6)	(312.9)	(258.6)
Acquisition of treasury shares	(65.6)	(61.7)	(65.6)	(61.7)
Share option plans	0.2	0.2	0.2	0.2
Total equity at the end of the period (30.06.2021 and 30.06.2020)	**2,004.2**	**2,042.8**	**3,008.6**	**3,111.6**

STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE) Amounts in millions of Euro

	GROUP		COMPANY	
	01.01-30.06.2021	01.01-30.06.2020	01.01-30.06.2021	01.01-30.06.2020
Cash flows from operating activities				
Profit before tax	294.9	223.5	191.8	316.2
Adjustments for:				
Depreciation, amortization and impairment	330.1	318.8	177.1	171.6
Costs related to voluntary leave schemes	4.7	53.1	1.3	46.2
Provision for staff retirement indemnities	2.2	2.3	0.8	1.9
Provision for youth account	0.6	0.1	0.6	0.1
Foreign exchange differences, net	0.7	0.5	(0.6)	0.1
Interest income	(0.4)	(0.8)	(0.6)	(1.3)
Dividend income	-	-	(20.4)	(181.0)
(Gains) / losses from investments and other financial assets - Impairment	(0.4)	0.4	(0.2)	0.3
Interest and related expenses	24.0	33.1	16.1	29.2
Working capital adjustments:				
Decrease / (increase) in inventories	(13.6)	1.9	(1.8)	0.7
Decrease / (increase) in receivables	(23.9)	(16.2)	2.3	(12.1)
(Decrease) / increase in liabilities (except borrowings)	(3.5)	(2.3)	(19.2)	(65.5)
Plus / (Minus):				
Payment for voluntary leave schemes	(47.7)	(49.9)	(41.6)	(43.3)
Payment of staff retirement indemnities and youth account, net of employees' contributions	(4.9)	(5.0)	(4.7)	(4.9)
Interest and related expenses paid (except leases)	(7.7)	(5.3)	(6.0)	(4.3)
Interest paid for leases	(8.5)	(9.7)	(3.4)	(7.1)
Income tax paid	(1.9)	(0.5)	(0.4)	(0.4)
Net cash flows from operating activities of discontinued operations	69.7	61.3	-	-
Net cash flows from operating activities (a)	**614.4**	**605.3**	**291.1**	**246.4**
Cash flows from investing activities				
Return of capital invested in subsidiary	-	-	1.0	-
Investment in subsidiaries	-	-	(3.0)	(4.0)
Repayment of loans receivable	3.6	3.6	3.6	3.6
Loans granted to subsidiary	-	-	-	(6.0)
Repayment of loans granted to subsidiary	-	-	-	6.2
Purchase of property, plant and equipment and intangible assets	(238.2)	(282.6)	(134.0)	(177.3)
Movement in restricted cash	0.4	-	-	-
Interest received	0.4	0.8	0.6	1.4
Dividends received	-	-	150.0	80.0
Net cash flows from investing activities of discontinued operations	(39.3)	(34.7)	-	-
Net cash flows from/ (used) in investing activities (b)	**(273.1)**	**(312.9)**	**18.2**	**(96.1)**
Cash flows from financing activities				
Acquisition of treasury shares	(64.9)	(60.4)	(64.9)	(60.4)
Proceeds from loans granted and issued	350.0	361.5	451.5	420.8
Repayment of loans	(217.4)	(84.8)	(270.8)	(116.7)
Lease repayments	(33.0)	(28.2)	(17.3)	(21.0)
Dividends paid to Company's owners	(0.2)	-	(0.2)	-
Net cash flows from financing activities of discontinued operations	(4.0)	(8.9)	-	-
Net cash flows from financing activities (c)	**30.5**	**179.2**	**98.3**	**222.7**
Net increase in cash and cash equivalents (a) + (b) + (c)	**371.8**	**471.6**	**407.6**	**373.0**
Cash and cash equivalents, at the beginning of the period	**516.2**	**1,058.3**	**105.5**	**560.6**
Net foreign exchange differences	(0.9)	(1.2)	-	-
Transfer to sectors	-	-	(35.4)	-
Cash and cash equivalents of disposal group classified as held for sale, beginning of period	73.3	-	-	-
Cash and cash equivalents of disposal group classified as held for sale, end of period	(74.5)	-	-	-
Cash and cash equivalents, at the end of the period	**885.9**	**1,528.7**	**477.7**	**933.6**

ADDITIONAL DATA AND INFORMATION

1) The companies which are included in the interin condensed 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 4 of the financial statements.
2) 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 9 of the financial statements.
3) 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 June 30, 2021 for litigations and other risks, as well as for unaudited tax years or pending tax cases are as follows: a) for the Group € 182.5 million and € 27.8 million, respectively and b) for the Company € 140.7 million and € 16.1 million, respectively. The most significant outstanding legal cases are presented in Note 15 of the financial statements.
4) Number of employees at the end of the period: Group 15,355 (30.06.2020: 16,937), Company 2,594 (30.06.2020: 7,470).
5) Other comprehensive income / (loss) after tax for the first six months of 2021 which was recognized directly in equity for the Group, relates to actuarial gains of € 6.5 million (net of deferred taxes) and foreign currency translation of € (5.3) million . As for the Company, it relates to actuarial gains of € 1.4 million (net of deferred taxes).
6) 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 47.9% interest in OTE as of June 30, 2021.
7) 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 first six months of 2021, amounted to € 40.8 million and € 177.8 million, respectively. Other operating income for the first six months of 2021 amounted to € 12.0 million. Finance income and expense for the first six months of 2021 amounted to € 0.3 million and € 12.4 million respectively. Dividend income from related parties amounted to € 20.4 million. The outstanding balance of receivables and payables from / to related parties as of June 30, 2021 deriving from current transactions amounted to € 67.5 million and € 571.3 million, respectively. The outstanding balance of loans receivable from and payable to related parties amounted to € 14.6 million and € 1,359.5 million respectively. Fees to the members of the Board of Directors and the Company's key management personnel for the first six months of 2021 amounted to € 6.8 million. At Group level, sales and purchases of goods and services between related parties which are not eliminated, for the first six months of 2021 amounted to € 16.9 million and € 28.0 million, respectively. Other operating income, between related parties which is not eliminated, for the year 2021 amounted to € 0.1 million. The outstanding balance of receivables and payables, resulting from transactions between related parties which are not eliminated, as of June 30, 2021 amounted to € 11.8 million and € 661.1 million, respectively.
8) Basic earnings per share were calculated based on the weighted average number of shares outstanding.
9) 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 17 of the financial statements.
10) Significant events after June 30, 2021 are disclosed in Note 18 of these financial statements.

Maroussi, August 4, 2021

CHAIRMAN AND MANAGING DIRECTOR	BOARD MEMBER AND OTE GROUP CHIEF FINANCIAL OFFICER	EXECUTIVE DIRECTOR FINANCIAL OPERATIONS OTE GROUP	ACCOUNTING DIRECTOR
MICHAEL TSAMAZ	CHARALAMPOS MAZARAKIS	GEORGE MAVRAKIS	ANASTASIOS KAPENIS
I.D. Number AB 516212	I.D. Number AE 096808	I.D. Number AN 023801	I.D.Number AK 618263
	License Number 0021943		License Number 0086190