

**HELLENIC TELECOMMUNICATIONS
ORGANIZATION S.A.**



GROUP OF COMPANIES

SIX MONTHS FINANCIAL REPORT

For the period
from January 1, 2023 to June 30, 2023

(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, 2023 to June 30, 2023, 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 3, 2023

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 3, 2023.

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”) has been published on the Company’s website under the European Single Electronic Format – «ESEF». The content of this report 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, 2023 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, 2023 to June 30, 2023, the outlook for the second half of 2023, the significant events which took place in the first half of 2023, 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 2023.

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 per share figures and elsewhere when otherwise indicated.

A. FINANCIAL HIGHLIGHTS FOR THE 1ST HALF OF 2023

Group Revenues	1 st Half 2023	1 st Half 2022	Change
Greece	1,522.8	1,511.5	+0.7%
Romania mobile	138.3	156.6	-11.7%
Eliminations	(3.4)	(3.0)	+13.3%
OTE GROUP	1,657.7	1,665.1	-0.4%

Group Adjusted EBITDA After Lease (AL)	1 st Half 2023	1 st Half 2022	Change
Greece	640.5	632.7	+1.2%
Margin (%)	42.1%	41.9%	+0.2pp
Romania mobile	8.3	25.4	-67.3%
Margin (%)	6.0%	16.2%	-10.2pp
OTE GROUP	648.8	658.1	-1.4%
Margin (%)	39.1%	39.5%	-0.4pp

Note 1: Alternative Performance Measures: For details on purpose and calculations refer to Section [G. Alternative Performance Measures Section](#).

Note 2: [Changes in accounting policies](#), see Note 3 Consolidated Financial Statements

OTE Group’s consolidated revenues totaled Euro 1,657.7 in the first half of 2023, down 0.4% compared to the first half of 2022, as positive momentum in Greece was offset by Romanian operations.

On a country basis, total revenues in Greece posted an increase of 0.7% to Euro 1,522.8 as lower retail fixed services were more than offset by further strong performances in Mobile and ICT. Mobile service revenues were up by 2.6% supported by ongoing investments in network infrastructure and customer experience, while ICT segment recorded a solid growth of 16.4%.

In Romania mobile, total revenues reached Euro 138.3 in the first half of 2023, down 11.7% compared to the first half of 2022, mainly reflecting the termination of the MVNO offering to FMC customers, certain customer-retention promotions, and the impact of mobile termination rate (MTR) cuts.

Total Group Operating Expenses, excluding depreciation, amortization, impairment and charges related to voluntary leave schemes and other restructuring costs amounted to Euro 970.3 in the first half of 2023, almost unchanged compared to the first half of 2022, as higher direct costs due to higher top line activity offset savings in several cost areas, notably personnel and energy costs. Personnel costs were down 6.3% mainly due to the benefit from the voluntary leave scheme implemented in 2022, while a new program was launched in 2023. Energy costs were also down in the first half of 2023.

The Group’s Adjusted EBITDA After Lease (AL) amounted to Euro 648.8 down 1.4%, yielding a margin of 39.1% compared to 39.5% in 2022, despite higher profitability in Greece. In Greece, Adjusted EBITDA After Lease (AL) totaled Euro 640.5, up 1.2%, resulting in a strong margin of 42.1%. Romania Mobile operations recorded an Adjusted EBITDA (AL) of Euro 8.3, down Euro 17.1,

partly reflecting the impact of MVNO service termination and the impact of higher energy costs, following the discontinuation of the Romanian state price cap at 2022 year end.

Group expenses for depreciation, amortization and impairment stood at Euro 331.8, down 1.5% compared to the first half of 2022, mainly as a result of the impairment of Romania operations in 2022. The Group Operating profit before financial and investing activities in the first half of 2023 stood at Euro 332.4, compared to Euro 329.7 in the first half of 2022, an increase of 0.8% reflecting higher profitability in Greece.

Interest and related expenses stood at Euro 16.5, down 2.4%, partly driven by the decreasing average cost of debt. The Group's income tax expense stood at Euro 76.5 in the first half of 2023, down 3.9% compared to the first half of 2022, despite higher profitability in the period, mainly due to taxable intragroup dividends distributed in the first half of 2022.

In the first half of 2023, Adjusted Free Cash Flow After Lease (AL) stood at Euro 376.7, down 2.8% compared to the same period of 2022, while reported Free Cash Flow stood at Euro 370.1, down 2.3%. Lower Capex spending, as well as an income tax refund, related to fiscal year 2021, and received in the first half of 2023 were offset mainly by lower working capital.

The Group's Net Debt stood at Euro 390.6 as of June 30, 2023, down 46.3% from December 31, 2022, while the Group's ratio of Net Debt to 12-month adjusted EBITDA (AL) stood at 0.3x. As OTE's next significant bond maturity is due in September 2026, the Group has little medium-term exposure to the global rise in interest rates. The rating agency Standard & Poor's recently raised OTE's long-term rating to "BBB+" with stable outlook.

GREECE

Total revenues from Greek operations totaled Euro 1,522.8, an increase of 0.7% compared to the first half of 2022, mainly reflecting the positive performances in mobile and ICT segment.

Fixed Retail Service revenues decreased by 4.0% at Euro 456.8, mainly due to lower voice and TV revenues. In broadband, revenue growth was mainly affected by speed upgrades implemented in 2022 to enhance customer loyalty and bolstering OTE's competitive strengths. In addition, during the first half of 2022, FTTH market was supported by the state-subsidized vouchers encouraging FTTH connections, which were available intermittently until September 2022.

Mobile Service revenues continued the positive momentum achieved in 2022 reaching Euro 483.9, up by 2.6%. Growth in mobile reflects positive performances in both the postpaid and prepaid segments, as a result of the successful execution of OTE's more-for-more strategy, and ongoing efforts to shift customers to higher-value services. Visitor roaming revenues were up 7% in the first half of 2023.

Wholesale revenues were down 5.5% reaching Euro 273.7 in the first half of 2023, mainly reflecting lower revenues from low-margin international transit traffic.

Other revenues increased by 12.4% mainly reflecting a sharp increase in ICT revenues as well as higher handset sales. Revenues from system solutions, included in ICT revenues, posted another solid increase, up 22.0% in the first half of 2023, as OTE leverages its experience in delivering large ICT projects, partnering with businesses and public institutions.

Adjusted EBITDA (AL) in Greece rose 1.2% in the first half of 2023 to Euro 640.5, yielding a margin of 42.1%, supported by successful cost containment efforts in several areas. Personnel costs were down 6.7%, primarily reflecting the voluntary leave scheme implemented in 2022, as well as certain one-off savings related to its 2023 collective labor agreement. Energy costs were also lower in the first half of 2023, while OTE extended its energy-supply agreement for one year and is working to hedge a significant portion of energy costs for the coming years. The Company also reduced bad-debt provisioning, consistent with the trends observed in 2022.

Financial Data	1 st Half 2023	1 st Half 2022	Change
Revenues	1,522.8	1,511.5	0.7%
Retail Fixed Services	456.8	475.9	-4.0%
<i>Retail Fixed Services (Including Data Communications)</i>	<i>501.1</i>	<i>517.7</i>	<i>-3.2%</i>
Mobile Service Revenues	483.9	471.8	+2.6%
Wholesale Services	273.7	289.5	-5.5%
Other Revenues	308.4	274.3	+12.4%
Adjusted EBITDA After Lease (AL)	640.5	632.7	+1.2%
Margin %	42.1%	41.9%	+0.2pp

Operational Data	1 st Half 2023	1 st Half 2022	Change
Fixed lines access	2,698,609	2,714,096	-0.6%
Broadband subscribers	2,342,376	2,287,003	+2.4%
...of which Fiber service	1,514,904	1,415,406	+7.0%
...of which FTTH	193,588	92,254	+109.8%
TV subscribers	647,897	641,578	+1.0%
Mobile Subscribers	7,373,414	7,322,423	+0.7%
Postpaid	3,051,235	2,898,529	+5.3%
Prepaid	4,322,179	4,423,894	-2.3%

Fixed Segment

OTE extended its positive performance in the broadband market, continuing to capture the bulk of total broadband market net additions, posting 24k net additions in the first half of 2023, raising the total number of broadband subscribers to 2,342k. Broadband penetration on its total fixed lines further expanded to 87%, up from 84% a year earlier.

Consistent with its strategy, OTE upgrades its offering to subscribers on an ongoing basis through its expanding fiber network. OTE recorded another period of year-on-year increase in total fiber subscribers, up 7.0%, with 67k net additions in the first half of 2023, all coming from FTTH connections. The total number of fiber (FTTx) subscribers stood at 1,515k, while penetration on the total broadband base further expanded to 64.7%. The share of subscribers using broadband speeds of 100Mbps or higher has now reached 46% of all FTTx connections, up from 43% a year earlier.

The Company remains focused on its FTTH investment plan—it passed approximately 1.1 million homes at the end of June 2023, and plans to speed up FTTH deployment to reach approximately 1.4 million homes by the end of this year. Continuing to expand its FTTH subscriber base, OTE posted strong additions in the first half of 2023, at 56K, with the total number of FTTH subscribers reaching 194k, or 12.8% of its total fiber base, significantly up from 6.5% a year earlier. Total utilization on homes passed by OTE's infrastructure increased, reaching 19%, compared to 14% one year earlier, reflecting enhanced network availability and effective sales initiatives.

OTE's TV subscriber base reached 648k in the first half of 2023, an increase of 1.0% compared to the same period in 2022, despite competitive challenges and the persistence of piracy. The Company leverages its streaming platform and enriches its content portfolio, notably through the recent renewal of key football broadcasting rights in the Greek market.

Mobile Segment

COSMOTE further extended the positive trends of prior periods, achieving year-on-year growth of 5.3% in its postpaid subscriber base. Its total mobile customer base reached 7.4mn, up 0.7%, at the end of June 2023. Ongoing customer growth is driven by the Company's competitive advantage in terms of network superiority and customer satisfaction, consistently recognized by all major market reviews and further evidenced by the extensive deployment of its 5G network. COSMOTE continues to expand its 5G network coverage, now exceeding 85% of the total population, rapidly approaching its 2023 year-end target of 90%. Coverage has already reached 97% in Athens, while Thessaloniki and 37 other cities already enjoy coverage of 90%, with speeds exceeding 1Gbps in certain areas. While continuing to promote data usage over its superior 4G/4G+/5G network, COSMOTE leverages the growth of data consumption, and its network superiority to strengthen its revenue base.

COSMOTE's mobile network was once again recognized as "the Fastest Mobile Network in Greece" at the Speedtest Awards™ by Ookla®. Cosmote subscribers enjoy average download speeds more than double those of competing offers. Recognition of Cosmote's network quality, supported by ongoing investments, drives positive customer preferences and revenue growth.

New Businesses

The new mobile wallet application, payzy, launched late in 2022 and operated by OTE's COSMOTE PAYMENTS subsidiary is steadily gaining traction in the e-transaction and mobile payment service market, with the total number of users now reaching 135k.

ROMANIA MOBILE

Financial Data	1 st Half 2023	1 st Half 2022	Change
Revenues	138.3	156.6	-11.7%
Mobile Service Revenues	94.1	102.9	-8.6%
Other Revenues	44.2	53.7	-17.7%
Adjusted EBITDA After Lease (AL)	8.3	25.4	-67.3%
Margin %	6.0%	16.2%	-10.2pp

Operational Data	1 st Half 2023	1 st Half 2022	Change
Mobile Subscribers	4,063,395	3,940,571	+3.1%
<i>Postpaid</i>	1,863,583	1,786,909	+4.3%
<i>Prepaid</i>	2,199,812	2,153,662	+2.1%

Total revenues from TELEKOM ROMANIA MOBILE amounted to Euro 138.3 in the first half of 2023, down 11.7% year on year, mainly reflecting the positive contribution of MVNO services to FMC customers in the comparable period of 2022 and the impact of mobile termination rate (MTR) cuts. The MVNO impact almost diminished by end of June 2023. Revenues from Romanian operations are also impacted by certain customer-retention activities in the form of handset subsidies.

The total subscriber base continued the positive trends achieved in 2022, reflecting a 4.3% year-on-year increase in postpaid subscribers and a 2.1% increase in the prepaid base.

Adjusted EBITDA After Leases (AL) totaled Euro 8.3, down Euro 17.1 compared to the first half of 2022, partly reflecting the MVNO impact of approximately Euro 7 and higher energy costs of about Euro 4, due to the government's removal of the cap on energy prices.

B. SIGNIFICANT EVENTS OF THE 1st HALF OF 2023

MERGER OF OTE GLOBE AND OTE

On January 2, 2023, the merger by absorption of wholly owned subsidiary company OTE GLOBE by its parent company OTE SA, was concluded.

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

On January 23, 2023, COSMOTE paid principal installment of Euro 11.5 under the term loan with EIB, along with the accrued interest.

SHAREHOLDER REMUNERATION POLICY

On February 22, 2023, the Board of Directors of OTE revised its Shareholder Remuneration Policy as follows:

“Provided the external and the macroeconomic environment remain stable, the Company intends to distribute to its shareholders, through a combination of dividend payout and Share Buyback Programs (whereby acquired shares will be cancelled), between 70% and 100% of net free cash flow generated every year. Starting from 2023, the cash dividend will account for at least 50% of total shareholder remuneration and the remaining part will be allocated to share buybacks.”

“The Board will examine the use of any cash flow reserves which may be accumulated in the medium term, together with past surpluses.”

“The implementation of the revised Shareholder Remuneration Policy will start in 2023 and will take into account the net free cash flow projections for the current year, i.e. 2023, as the basis for calculating the aggregate shareholder payout. In the same way, the Remuneration Policy will be applied in the forthcoming years, i.e. the basis for calculating total shareholder remuneration in 2024 will take into account the projections of net free cash flow for 2024 and so on.”

SHARE BUYBACK PROGRAM AND CANCELLATION OF OWN SHARES

On January 18, 2022, the Extraordinary General Meeting of Shareholders approved a new Own Share Buyback Program for a period of 24 months. On February 24, 2023, OTE announced that it intends to purchase up to 30,000,000 own shares, during the period from March 1, 2023, to January 19, 2024, at a price range between Euro 1 and Euro 30 per share. The maximum share buyback consideration for the period is estimated at Euro 175, including expenses.

During the period from January 1, 2023, to June 30, 2023, the Company acquired 4,287,502 own shares at an average price of Euro 13.78 per share.

The Annual General Shareholders' Meeting of June 7, 2023 approved in accordance with article 49 of Law 4548/2018, the cancellation of 7,417,049 own shares along with the reduction of the Company's share capital by Euro 20,990,248.67 (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 and the amendment of Article 5 (“Share Capital”) of the Company's Articles of Incorporation.

The Company acquired the above shares during the period from October 3, 2022 to April 30, 2023, at an average price of Euro 14.69 per share. 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 Stock Exchange (ATHEX) as of July 18, 2023, when trading of the aforementioned shares on the ATHEX has ceased.

DIVIDEND AND SHARE BUYBACK PROGRAM

On June 7, 2023, the Annual General Meeting of Shareholders approved the distribution of a dividend of Euro 0.5765 per share outstanding. The final dividend of Euro 0.58878 per share adjusted for own shares outstanding as of the ex-dividend date, was paid out on July 11, 2023. The total dividend payout, i.e. Euro 250, represents 59% of the total amount allocated under the 2023 Revised Shareholder Remuneration Policy. The remaining amount, i.e. approximately Euro 175 has been allocated to the buyback of Company shares under the new Share Buyback Program, as approved by the Extraordinary General Shareholder Meeting of January 18, 2022.

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.

REPAYMENT OF NOTES UNDER THE GLOBAL MEDIUM-TERM NOTE (GMTN) PROGRAMME OF OTE PLC

On June 8, 2023 OTE PLC fully repaid at maturity the Euro 150.0 fixed-rate Notes under the Global Medium-Term Note Program of OTE PLC.

ISSUANCE OF NEW BOND

On June 20, 2023, OTE PLC issued a Euro 80.0 bond due October 2023, with a yield of 3.701% per annum, fully subscribed by Deutsche Telekom AG. The proceeds were used for the partial refinancing of the Euro 150.0 OTE PLC bond that matured on June 8, 2023.

C. OUTLOOK FOR THE 2nd HALF OF 2023

In a challenging competitive environment, OTE expects to defend its market position and continue benefiting from its ongoing investment in advanced network infrastructure in fixed and mobile. Customer excellence, best-in-class services, and brand recognition, evidenced by all major market surveys, continue to support OTE's solid financial performance in its home market. OTE intends to pursue its investment strategy, focusing on the deployment of FTTH and 5G. OTE anticipates further growing its ICT business, acting as one of the major Systems Integrator for businesses and the public sector in Greece and the EU, supported by ongoing deployment of the Recovery and Resilience Plan.

OTE remains committed to continuously enhancing its efficiency and streamlining its cost base, to support its profitability.

In Greece, OTE expects to maintain current trends in the second half of the year, supported by positive revenue trends in key segments and lower costs in certain categories. Group operations should remain impacted by challenging conditions in Romania.

For full year 2023, OTE management reiterates its Free Cash Flow guidance of approximately Euro 500, reflecting higher income tax payments compared to 2022, lower financial expenses, stable Capex, and improvement in operating performance in Greece. 2023 Group CAPEX should remain stable, at approximately Euro 640, as the company pursues the deployment of its FTTH infrastructure.

Total 2023 Shareholder Remuneration is targeted at approximately Euro 425, corresponding to a Euro 250 cash dividend and a share buyback program of approximately Euro 175. Final dividend of 0.58878 per share was paid out on July 11, 2023. As of today, the Company has disbursed nearly half of its total 2023 share buyback program.

D. RISKS AND UNCERTAINTIES FOR THE 2nd HALF OF 2023

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.

The materiality analysis was conducted in 2022 taking into account the double materiality perspective and in accordance with the Group's unified Enterprise Risk Management methodology, according to best practices. Key issues were identified with the participation of the OTE Group's Senior Management and the company's stakeholders, considering relevant risks and opportunities, as well as positive and negative impacts related to the material issues. The materiality analysis constitutes an important component of the stakeholder dialogue and the process of understanding stakeholders' expectations. The materiality analysis results are used in the Group's planning actions and operations strategic planning. Furthermore, the material issues are included in the company's risk map. More information in the section Materiality Analysis into the [Annual Financial Report](#).

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, 2023.

Information regarding the Enterprise Risk Management System is included in Section F. Corporate Governance Statement ("C. Internal Control System") into the [Annual Financial Report](#).

Macroeconomic conditions in Greece

Currently prevailing economic risks arising globally, as a result of sharply rising interest rates, energy market turbulence driving upwards prices for raw materials, as well as severe geopolitical tensions have negatively affected macroeconomic conditions globally, including Greece.

Management continually assesses the possible impact of any changes in the macroeconomic and financial environment in Greece taking into consideration global economic developments, so as to ensure that all necessary measures are taken in order to minimize any impact on the Group's Greek operations. Rising inflation and increased energy prices have affected Group's financial and operational performance. Management is closely monitoring macroeconomic developments and financial outlook in order to mitigate uncertainties and risks.

Based on its current assessment, it has concluded that no additional impairment provisions are required with respect to the Group's financial and non-financial assets as of June 30, 2023.

Financial Risks

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

a) Credit risk

Credit risk is the risk of financial loss to the 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. 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.

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 as at June 30, 2023 amount to Euro 821.1 and Euro 440.7, respectively and their short-term borrowings and their short-term portion of long-term borrowings amount to Euro 103.1 and Euro 191.5, 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 and the Company have no floating interest-rates borrowings, thus they are not sensitive to potential changes in interest rates on loans.

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 and Company level. Net debt includes interest bearing loans and notes, long-term and short-term lease liabilities as well as other financial liabilities, less cash and cash equivalents.

GROUP	30/06/2023	31/12/2022
Long-term borrowings	870.4	881.5
Short-term borrowings	80.0	150.0
Short-term portion of long-term borrowings	23.1	23.1
Lease liabilities (long-term portion)	171.7	182.1
Lease liabilities (short-term portion)	63.5	76.1
Financial liabilities related to wallets	3.0	4.0
Cash and cash equivalents	(821.1)	(590.1)
Net debt	390.6	726.7
Total equity	1,784.3	1,848.9
Gearing ratio	0.22x	0.39x

COMPANY	30/06/2023	31/12/2022
Long-term borrowings	847.3	846.9
Short-term borrowings	191.5	40.0
Short-term portion of long-term borrowings	-	56.5
Lease liabilities (long-term portion)	116.6	103.7
Lease liabilities (short-term portion)	37.1	34.2
Cash and cash equivalents	(440.7)	(163.7)
Net debt	751.8	917.6
Total equity	3,073.2	3,228.3
Gearing ratio	0.24x	0.28x

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 to an extent, 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 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 on material segments of the wholesale and retail level. Price control regulatory obligations require OTE to set often higher retail prices than its competitors for the same services. Recent changes in the regulatory framework allow for OTE to offer competitive retail prices for FTTH products.

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 already established processes, Continuity & Recovery plans as a robust Business Continuity Management System demands and has been certified by ISO 22301:2019. In this context, recovery programs for both the telecommunications network and the IT infrastructure are already in place. Business Continuity Department OTE Group, in cooperation with Network Automation, Security and Operations Support Department Fixed & Mobile and IT Architecture Department OTE Group test and rehearse the recoverability and operability of the critical business processes. 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

Being faithful to the commitment of adapting swiftly to the evolving needs of the new digital era, OTE Group places emphasis on new strategy and business models, utilizes digital capabilities to the benefit of its customers, employees, partners and suppliers, and continuously innovates, providing a wide range of services and cutting-edge technology, such as 5G, Fiber to the Home and digital wallets.

The increasing degree of digitalization and interconnectedness in our society, along with the rising number of cyber-attacks at global level, introduced new, more complex challenges to companies and paved the way for a significant change in mindset regarding institutional and regulatory approach to cybersecurity. OTE Group provides a wide range of products and services, including integrated ICT solutions, to well-established customers and public organizations, keeping cybersecurity at the forefront. The Company embraces a holistic approach to cybersecurity, balancing the need to protect itself from cyber risks and ensure that right levels of protection are in place with the need for business innovation.

To maintain a high level of security throughout its network and information systems, OTE Group Information Security and Telecommunication Fraud Prevention Division delivers a resilient security strategy, demonstrating its commitment and the key actions it takes to stay ahead of the cyber threat landscape. By taking a risk-based approach to cybersecurity, the Division establishes and implements the required set of security policies, procedures and practices, oversees their implementation, builds robust security mechanisms, secure and reliable systems and infrastructure, and evaluates their operating effectiveness (e.g. via periodic system audits). Among the modern tools, the Division uses advanced solutions for information security, such as threat detection systems based on artificial intelligence and machine learning, which are used to analyze and address security challenges in real time. In addition, the Cyber Defense Center of the Division collects and analyzes data from corporate systems on a 24/7 basis, in order to timely detect security incidents (e.g. cyber-attacks) and respond effectively.

Ensuring security of network and information systems is always one of OTE Group's top priorities. It is more than just an obligation to meet statutory and regulatory requirements; it is also part of the Company's culture and enhances its competitive advantage in maintaining the trust of its customers, partners and suppliers.

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 numerous other aspects of life on the planet and could lead to emerging risks, due to its severe and long-term impact.

Aiming at climate change mitigation, EU has set its target the reduction of Greenhouse Gas (GHG) emissions by at least 55% by 2030, compared to 1990 levels and to become climate neutral by 2050 (European Green Deal). Both targets are legally binding with the adoption of the EU Climate Law.

The European Commission released (2021) a series of legislative proposals (Fit for 55) setting out how it intends to achieve its climate targets. Moreover, the EU Taxonomy Regulation and its delegated acts define criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which investing in it is also environmentally sustainable.

Following along these lines, Greece has put into force the Greek Climate Law (May 2022) that aims to provide the framework for Greece to also achieve an 80% reduction by 2040 on the way to a net-zero emissions target by 2050.

Tackling climate change is an essential element of OTE Group's environmental strategy and one of OTE Group's strategic priorities for sustainable development. With a view to achieve climate neutrality, OTE Group plans and implements actions to reduce greenhouse gas emissions throughout its value chain, uses Renewable Energy Sources and increases energy efficiency.

OTE Group is committed to participate fully towards the achievement of the DT Group wide net zero targets:

- 100% use of Renewable Energy Sources for electricity consumption from 2021 onwards.
- Net-zero GHG emissions from energy consumption (scope 1 and scope 2 emissions) by 2025 (up to 95% reduction of emissions from energy consumption by 2025 compared with 2017 and neutralization of the residual emissions).
- Reduce Scopes 1, 2, 3 GHG emissions by 55 % in 2030 with respect to 2020 levels (New interim target adopted by DT Group in March 2023).
- Net-zero carbon footprint (scope 1, 2 and 3) by 2040 at the latest.

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.).
- Increases in fossil fuel prices.

In addition, low environmental performance could affect the Group's reputation and market share, as surveys indicate that climate change is a matter of concern for stakeholders, while investors seek to engage with companies that have an effective environmental policy in place.

On the long term, telecommunications infrastructure could be affected by extreme weather events (physical impacts) and there could be impacts on network operation and the availability of the telecommunication services provided.

At the same time, the enabling role of Information and Communication Technology (ICT) in tackling climate change generates opportunities for the further development of OTE Group.

Taking into consideration all the above, OTE Group:

- Prepares GHG emissions inventories on an annual basis covering all its activities across the value chain (scope #1, #2 and #3).
- Reduces greenhouse gas emissions to the extent technically and economically feasible. The emissions that cannot be reduced will be neutralized by means of high-quality compensation and carbon capture projects in accordance with the established framework.
- Implements energy conservation measures across its activities (telecom network, data centers, buildings) with emphasis on the fixed and mobile telecom network.
- Makes use of Renewable Energy Sources to cover by 100% its electricity consumption.
- Invests in the electrification of vehicles' fleet, considering the maturity of the market and the technology, as well as the availability of vehicle charging infrastructure.
- Addresses the electricity consumption of broadband equipment by participating, voluntarily, in the "Code of Conduct for Broadband Equipment".
- Implements a certified Business Continuity Management System to prevent and promptly deal with situations that may affect the operation of the telecommunications network and the uninterrupted provision of telecommunications services.

Lead Cables

Recent publications report, regarding certain US operators, on possible health hazard caused by lead-insulated telecoms cables, which were installed decades ago and had allegedly been found to be contaminating the ground and nearby water reserves. In this context, OTE evaluates and monitors the risk of any potential impact on the environment by legacy lead – sheathed cabling. Similarly to other operators, OTE had been using lead sheathing in past decades, yet the majority is covered by additional protective materials, like plastic, cement or ceramic tubes. OTE therefore considers that any possible exposure to lead-induced environmental impact is very limited since lead sheathed cable represent a small part of its current network, mostly being covered in underground ducts.

An impact on the Group's environmental performance could affect the Group's reputation, as Environmental strategy is a matter of concern for stakeholders, while investors seek to engage with companies that have an effective environmental policy in place.

Supply chain

OTE Group believes that the diffusion of key values and standards in the supply chain is an important feature of responsible business conduct.

The development and maintenance of a value-added supply chain for the Group, with economic, environmental and socially responsible methods and practices, in line with the Group's vision, is a continuous target for improvement.

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 has been amended in alignment with new international legal requirements, 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.
- The Digital Ethics Guidelines on Artificial Intelligence OTE Group. Since 2023, suppliers and partners offering solutions that contain Artificial Intelligence (AI) systems must comply with these Principles.
- An anti-corruption clause which is included both into the General Order Terms and also as a term in contracts with suppliers and partners. 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 and partners (such as a pre-contractual integrity check and evaluation of prospective suppliers and partners) according to the Compliance criteria. These criteria include anti-bribery or anti-money laundering law infringement, negative publicity regarding the supplier, as well as checking whether the supplier or partner is included in DT Non-Compliant List / NCL, which includes the legal entities and the natural persons that have been blacklisted in the published international Sanction Lists of European Union, United Nations, OFAC etc. Also, during the Compliance evaluation of the prospective suppliers/companies, information is sought regarding the potential conflicts of interest derived from a relationship between the owner of the company or the BoD' s members of the company with Politically Expose Persons (PEPs) or other OTE Group business partners and members of Management.
- Specific communication channels (e.g. emails: whistleblowing@ote.gr or tellmecompliance@ote.gr, regular post and telephone line) have been established to enable everyone to submit reports concerning possible violations of legal obligations or internal policies and regulations. It is also possible to file a report anonymously via the Electronic Compliance Form.
- Communication/awareness, periodically, 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 that includes sustainability issues. Moreover, the Group takes into account the results of Deutsche Telekom's assessments and audits for each joint vendor in the framework of the /Eco Vadis/self-assessments and JAC (Joint Audit Cooperation).
- Necessary adjustments to the OTE Group's procurement processes and guidelines to meet the requirements in accordance with the Supply Chain Due Diligence German Act (Lieferkettensorgfaltspflichtengesetz – LkSG), have been implemented, as a member of DT Group.

Moreover, suppliers are one of the primary stakeholder groups identified by OTE Group (see section Stakeholder Dialogue Section into the [Annual Financial Report](#)), which, amongst others, are invited to participate in the Materiality Analysis. Specifically, through an online questionnaire they submit their view by rating each issue regarding the level of impact of the Group on the economy, the society and the environment. More information in the section Materiality Analysis into the [Annual Financial Report](#).

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".

The European Scientific Committee on Health, Environmental and Emerging Risks (SCHEER) adopted the EMF final opinion on EMF (above 100 kHz) on 18 April 2023. The final SCHEER opinion confirms that 'the SCHEER advises positively on the need of a technical revision of the annexes in Council Recommendation 1999/519/EC and Directive 2013/35/EU'. The SCHEER 'acknowledges' that the ICNIRP (2020) guidelines 'protect humans more effectively.'

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; refrigerants; warehouse personnel; etc.). An unsafe working environment, may burden the Company with compensation liabilities and other legal costs, while hurting the Company's reputation and business continuity.

The evaluation of work - related risks and hazards and their consequences, conducted by Health & Safety Business Unit, has revealed that the category of employees who is exposed to the most significant hazards is the technical staff. These hazards could be the following:

1. Improper use of Personal Protective Equipments ("PPE") Correct use 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 PPEs properly.
3. Work on poles, can also lead to accidents, especially if the worker uses his PPEs improperly or not at all.
4. Use of ladders, which have been located wrongly, for repair or maintenance purposes.
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.
7. Domestic Animal attacks (such as dogs).

OTE guarantees that the technical staff is always equipped with the proper PPEs. The PPEs have been chosen according to specifications, are state of the art, certified and audited for its integrity and their expiry date. Moreover, they are renewed according to the standards defined by legislation. 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 training programs are being updated and enriched with new techniques and information if needed; in order to maintain the interest of employees in attending them. In 2023, special training seminars "Safe Work at Height" continued, whose attendance is compulsory and lasting two days for the first - time employees, followed by a repeat one day seminar, in which it is reminded of our company technicians. Their safe way of working in height, compulsory use of personal protection and reference is made to any up -to -date security, protection and work equipment. In addition to seminars, employees also receive regular training and guidelines from the responsible Safety Engineer of the sites. Finally, all safe work instructions are uploaded to the Company's intranet, as well as updated instructions, which each employee can refer to at any time.

Regarding call center and store employees, the health and safety risks could be:

- Musculoskeletal strain, as a result of repetitive movements and non - ergonomic posture (sitting position or standing) during the work.
- Eye problems such as visual fatigue and disorders, as a result of insufficient lighting / reflections / large contrast of brilliance in the workspace.
- Improper response to emergencies such as fire or earthquake.

The Company ensures that its staff remains always informed about the risks arising in the workplace and the prevention measures taken for risks' elimination.

As for the prevention of visual fatigue and eye problems, employees are examined when they are hired and periodically by the occupational physicians of the Company.

Regarding the employees' response to emergencies, multiple and continuous trainings are organized by Health and Safety Unit and implemented by the responsible Safety Engineer of each site, nation widely. Among others, the trainings include evacuation exercises and updated information for good practices. Moreover, each site has its own Incident Response Team which consists of members - employees of the site, who are specially educated and have the proper equipment, so as in case of emergency (e.g. fire, earthquake) to evacuate the workspace promptly and safely. In 2023, a seminar on natural disaster management, such as earthquake and fire, was completed, in order to strengthen the members of the evacuation team. The purpose of the seminar was to inform and proactively

prepare the participants, in terms of the effective management of emergency events and incidents, due to natural disasters, such as earthquakes and fires. The seminar was attended by members of the evacuation groups throughout Greece, with physical or online participation.

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

Annually, the Safety and Health Unit organized actions with interesting themes, which took place physical and online participation.

- **Concerning safety:** Special training seminars on safe work at height and fire training were conducted, as mentioned above. In addition, there were also updates on these issues in some facilities throughout Greece by the Safety Engineer.
- **Concerning health:** the Health & Safety Business Unit organized a series of actions called "Health Days", consisting of medical checkup by the medical team, sugar, cholesterol and blood pressure measurements, examination by a cardiologist (via electrocardiogram), as well as first aid training at some facilities throughout Greece.
- **Concerning mental health & balance:** the Health & Safety Business Unit continued to conduct the live webinars for the Workplace Management Crises in collaboration with specialized partners. Live webinar for the Emotion Management were conducted. These live webinars are aimed at self-improvement and maintaining work-life balance. In addition, there is psychological support from experts, while there is also a telephone service "Next to You", which operates 24/7, anonymously and confidentially, and it is addressed to all employees, but also to all the member of their families.
- **Concerning well-being:** The "Coach" digital platform launched in 2021 continued to operate and be available 24/7, while at the same time all sports activities (basketball, football, running team, etc.) were restarted. Additional, actions for healthy eating, with useful advice from a chef and a nutritionist, individual sessions with nutritionists and wellness actions were also organized with physical participation. As well as actions with a physiotherapist to promote musculoskeletal health in workplaces. These actions were extended to call center employees. Finally, a live webinar on nutrition and psychology was conducted.
- **Concerning the social impact:** One (1) round of voluntary blood donation was conducted, respecting all the required health and safety measures for the participants.

For Health and Safety Unit, the participation of the employees to the units' actions was important, as well as their satisfaction. This magnitude was reflected in the evaluation questionnaires, that the employees completed after the end of each action. Evaluation questionnaires were widely used in 2023 and their large amount leads to safe conclusions regarding to the employees' satisfaction, which in most cases approaches 100%. All the comments collected help the unit to develop and improve actions.

Compliance, Corruption, Bribery, Human Rights and Digital Ethics' 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, 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](#), in which a communication channel for the violations of human rights is included.

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 Diversity, Equity and Inclusion Policy, 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, the Policy on Insider Trading, the Prevention and Combatting Violence and Harassment in the Workplace Policy and the Digital Ethics Guidelines on Artificial Intelligence.

Failing to adopt and implement adequate and robust processes that prevent corruption, bribery, and human rights issues 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, human rights and digital ethics 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 50.9% 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 and receives loans to and from these related parties and also receives and pays dividends.

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

	1st Half 2023		1st Half 2022	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE Group - Greece	27.3	70.3	30.6	72.5
COSMOTE TV PRODUCTIONS	-	3.3	-	3.2
COSMO-ONE	-	-	-	0.2
OTESAT-MARITEL	0.2	0.2	0.1	0.1
CTS	-	76.7	-	77.5
OTE ESTATE	0.1	2.6	0.2	0.7
OTE GLOBE	-	-	3.5	17.9
OTE ACADEMY	-	1.6	-	1.0
TELEKOM ROMANIA MOBILE	1.1	-	1.1	-
COSMOTE PAYMENTS	-	3.2	-	2.1
COSMOTE GLOBAL SOLUTIONS N.V.	-	0.7	-	0.3
OTE RURAL NORTH	1.6	2.4	1.4	2.2
OTE RURAL SOUTH	2.2	3.5	1.9	3.1
DEUTSCHE TELEKOM group of companies (except for OTE Group)	4.0	7.3	1.4	4.8
TOTAL	36.5	171.8	40.2	185.6

Purchases of OTE from CTS include network construction services amounting to Euro 9.5 for the first half of 2023 (first half of 2022: Euro 9.7).

Purchases of OTE from related parties do not include an amount of Euro 19.0 related to lease expenses (first half of 2022: Euro 18.2).

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

	1st Half 2023		1st Half 2022	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	8.9	16.8	10.1	15.6
TOTAL	8.9	16.8	10.1	15.6

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

	Other operating income OTE	
	1st Half 2023	1st Half 2022
COSMOTE Group - Greece	7.5	7.8
OTE ESTATE	0.1	-
OTE ACADEMY	0.1	0.1
OTESAT-MARITEL	-	0.2
CTS	5.1	5.1
TOTAL	12.8	13.2

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 2023	1st Half 2022
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 interest expense on lease liabilities to related parties, are analyzed as follows:

	1st Half 2023		1st Half 2022	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	3.7	-	8.3
COSMOTE Group - Greece	-	-	0.1	0.1
OTE RURAL SOUTH	0.1	0.1	0.2	-
UltrafastOTE	0.1	-	-	-
OTE ESTATE	-	2.4	-	2.6
TOTAL	0.2	6.2	0.3	11.0

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

	Dividend income OTE	
	1st Half 2023	1st Half 2022
COSMOTE	-	250.0
OTE PLC	-	25.0
OTE GLOBE	-	10.0
OTESAT-MARITEL	-	0.5
TOTAL	-	285.5

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

	30/06/2023		31/12/2022	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE Group - Greece	31.9	129.0	45.4	146.4
TELEKOM ROMANIA MOBILE	0.7	1.0	0.6	2.0
COSMOTE TV PRODUCTIONS	0.1	1.0	-	1.3
OTESAT-MARITEL	3.8	-	4.1	-
CTS	4.6	32.6	13.9	35.2
COSMOTE PAYMENTS	1.1	1.1	1.9	1.4
COSMOTE GLOBAL SOLUTIONS N.V.	0.1	0.4	0.1	1.9
OTE ESTATE	1.4	2.7	2.6	0.5
OTE GLOBE	-	-	2.4	12.4
OTE ACADEMY	0.1	0.8	0.1	0.8
OTE RURAL NORTH	0.5	0.3	0.9	-
OTE RURAL SOUTH	0.7	1.4	1.2	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	2.8	136.3	1.8	3.2
TOTAL	47.8	306.6	75.0	205.1

Amounts owed by OTE to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 129.9 as of June 30, 2023 (December 31, 2022: Euro nil).

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

	Lease liabilities OTE	
	30/06/2023	31/12/2022
OTE ESTATE	115.7	121.4
COSMOTE Group - Greece	0.4	6.0
OTE RURAL NORTH	0.9	0.5
OTE RURAL SOUTH	1.9	0.9
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.9	-
TOTAL	119.8	128.8

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:

	30/06/2023		31/12/2022	
	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)	6.5	557.5	5.7	503.1
TOTAL	6.5	557.5	5.7	503.1

Amounts owed by the Group to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 129.9 as of June 30, 2022 (December 31, 2022: Euro nil).

Amounts owed by Group to DEUTSCHE TELEKOM group of companies (except for OTE Group) as of June 30, 2023 include an amount of Euro 380.0 (nominal amount) related to Notes issued by OTE PLC and subscribed partially or in full by DEUTSCHE TELEKOM AG (December 31, 2022: Euro 450.0 nominal amount). Interest expenses for the above Notes for the first half of 2023 amount to Euro 1.7 (first half of 2022: Euro 1.2).

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

	30/06/2023		31/12/2022	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	892.6	-	795.8
OTE RURAL NORTH	6.0	-	6.1	-
UltrafastOTE	41.1	-	-	-
OTE RURAL SOUTH	4.0	-	4.0	-
TOTAL	51.1	892.6	10.1	795.8

Amounts owed by OTE to OTE PLC relating to loans include interest payable amounting to Euro 3.8 (December 31, 2022: Euro 2.4).

Amounts owed to OTE by OTE RURAL NORTH, OTE RURAL SOUTH and UltrafastOTE relating to loans include interest receivable amounting to Euro 0.1 as of June 30, 2023 (December 31, 2022: Euro 0.1).

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

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 5.2 for the first half of 2023 (first half of 2022: Euro 5.3).

F. SIGNIFICANT EVENTS AFTER THE END OF THE 1st HALF OF 2023

CANCELLATION OF OWN SHARES

The Annual General Shareholders' Meeting of June 7, 2023 approved in accordance with article 49 of Law 4548/2018, the cancellation of 7,417,049 own shares along with the reduction of the Company's share capital by Euro 20,990,248.67 (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) and the amendment of Article 5 ("Share Capital") of the Company's Articles of Incorporation.

The Company acquired the above shares during the period from October 3, 2022 to April 30, 2023, at an average price of Euro 14.69 per share. 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 Stock Exchange (ATHEX) as of July 18, 2023, when trading of the aforementioned shares on the ATHEX has ceased.

Moreover the Company acquired 1,623,545 own shares during the period from May 1, 2023 to June 30, 2023 at an average price of Euro 14.24 per share within the framework of the new Share Buyback Program as approved by the General Shareholders' Meeting on January 18, 2022.

As of August 1, 2023, the Company holds 6,050,458 own shares, with a nominal value of Euro 2.83 per share, which represent 1.419% of the Company's share capital.

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

On July 24, 2023, COSMOTE paid principal installment of Euro 11.5 under the term loan with EIB.

MERGER OF "COSMOTE MOBILE TELECOMMUNICATIONS SINGLE MEMBER SOCIETE ANONYME" ("COSMOTE")

On July 13, 2023, the Board of Directors of OTE and COSMOTE decided the initiation of the merger procedure through absorption of OTE's 100% subsidiary "COSMOTE - MOBILE TELECOMMUNICATIONS SINGLE MEMBER SOCIETE ANONYME" ("COSMOTE"). The process aims at operations' simplification and optimization, as well as more effective administration. The absorption is not expected to have any impact on Group consolidated financials as the company to be absorbed (COSMOTE) is fully consolidated in Group Financial Statements. The process is expected to be completed in January 2024.

The completion of the procedure is subject to the required final approvals by the Board of Directors of the merging companies, and the insertion in the General Commercial Registry (GE.MI.) of the relevant approval decision of the competent body of the Ministry of Development.

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

On July 19, 2023, the rating agency Standard & Poor's raised long-term rating on OTE from "BBB" to "BBB+" with stable outlook. According to the rating agency, the upgrade of OTE follows i) the recent upgrade of OTE's parent Deutsche Telekom to 'BBB+' and ii) OTE's robust financial metrics, including solid balance sheet and resilient cash flow generation. Also, the recent outlook revision on Greece to positive and affirmation of the 'BB+' rating, indicates ongoing improvements in OTE's economic environment.

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. APMs provide additional insights and understanding to the Group's underlying performance, financial condition and cash flow. APMs and the respective adjusted measures are calculated by using the directly reconcilable amounts from Financial Statements of the Group and the below items as well, that due to their nature impacting comparability. As these costs or payments are of significant size and of irregular timing, it is a common industry practice to be excluded for the calculation of the APMs and the adjusted figures in order to facilitate comparability with industry peers and facilitate the user to obtain a better understanding of the Group's performance achieved from ongoing activity. The APMs should be read in conjunction with and do not replace by any means the directly reconcilable IFRS line items.

1. 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", respectively.

2. Costs or payments related to other restructuring plans

Other restructuring costs comprise non-ongoing activity related costs arising from significant changes in the way the Group conducts business. These costs are mainly related to the Group's portfolio management restructuring.

3. 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.

Definitions and reconciliations of Alternative Performance Measures ("APMs")

Net Debt

Net Debt is used 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 plus other financial liabilities less cash and cash equivalents. Following the adoption of IFRS 16 financial liabilities related to leases are included in the calculation of net debt from 2019 onwards.

OTE Group	30/6/2023	31/12/2022
Long-term borrowings	870.4	881.5
Short-term portion of long-term borrowings	23.1	23.1
Short-term borrowings	80.0	150.0
Lease liabilities (long-term portion)	171.7	182.1
Lease liabilities (short-term portion)	63.5	76.1
Financial liabilities related to wallets	3.0	4.0
Cash and cash equivalents	(821.1)	(590.1)
Net Debt	390.6	726.7

EBITDA - Adjusted EBITDA - Adjusted EBITDA After Lease (AL)

- EBITDA is derived directly from the Financial Statements of the Group, line "Operating profit before financial and investing activities, depreciation, amortization and impairment" of the Income Statement. EBITDA is defined as total revenues plus other operating income less total operating expenses before depreciation, amortization and impairment. EBITDA is intended to provide useful information to analyze the Group's operating performance.
- Adjusted EBITDA is calculated by excluding the impact of costs related to voluntary leave schemes and other restructuring costs.
- Adjusted EBITDA After Lease (AL): Following the adoption of IFRS 16 related to leases, it is a common industry practice to use the EBITDA After Lease (AL) or Adjusted EBITDA After Lease (AL) in order to facilitate comparability with industry peers and historical comparison as well. Adjusted EBITDA (AL) is defined as Adjusted EBITDA deducting the depreciation and interest expense related to leases.

EBITDA, Adjusted EBITDA and Adjusted EBITDA (AL) margin (%) is defined as the respective EBITDA divided by total revenues.

	OTE GROUP		GREECE		ROMANIA	
	1st Half 2023	1st Half 2022	1st Half 2023	1st Half 2022	1st Half 2023	1st Half 2022
Total revenues	1,657.7	1,665.1	1,522.8	1,511.5	138.3	156.6
Other operating income	4.2	6.7	2.9	5.8	1.3	0.9
Total operating expenses before depreciation, amortization and impairment	(997.7)	(1,005.3)	(882.7)	(886.9)	(118.4)	(121.4)
EBITDA	664.2	666.5	643.0	630.4	21.2	36.1
margin %	40.1%	40.0%	42.2%	41.7%	15.3%	23.1%
Costs related to voluntary leave schemes	26.6	32.7	26.2	32.5	0.4	0.2
Other restructuring costs	0.8	0.4	-	-	0.8	0.4
Adjusted EBITDA	691.6	699.6	669.2	662.9	22.4	36.7
margin %	41.7%	42.0%	43.9%	43.9%	16.2%	23.4%
Depreciation of lessee use rights to leased assets	(38.3)	(37.1)	(25.3)	(26.7)	(13.0)	(10.4)
Interest expense on leases	(4.5)	(4.4)	(3.4)	(3.5)	(1.1)	(0.9)
Adjusted EBITDA (AL)	648.8	658.1	640.5	632.7	8.3	25.4
margin %	39.1%	39.5%	42.1%	41.9%	6.0%	16.2%

Capital expenditure (Capex) and Adjusted Capex

Capital expenditure is derived directly from the Financial Statements of the Group, line "Purchase of property, plant and equipment and intangible assets" of the Cash Flow Statement. The Group uses Capex to ensure that the cash spending is in line with its overall strategy for the use of cash. Adjusted Capex is defined as Capex excluding spectrum payments.

OTE Group	1st Half 2023	1st Half 2022
Purchase of property plant and equipment and intangible assets – Capex	(246.6)	(262.0)
Spectrum Payments	-	1.2
Adjusted CAPEX	(246.6)	(260.8)

Free Cash Flow (FCF)- Free Cash Flow After Lease (AL) – Adjusted FCF After Lease (AL)

- Free Cash Flow is defined as net cash flows from operating activities, after payments for purchase of property plant and equipment and intangible assets (Capex) and adding the interest received. Free Cash Flow After Lease (AL) is defined as Free Cash Flow after lease repayments.
 - Adjusted FCF After Lease (AL) facilitates comparability of Cash Flow generation with industry peers and discussions with the investment analyst community and debt rating agencies. It is calculated by excluding from the Free Cash Flow After Lease (AL) spectrum payments, payments for voluntary leave schemes and payments for other restructuring costs.
- FCF After Lease (AL) and Adjusted FCF After Lease (AL) are intended to measure the cash generation from the Group's business activities while facilitate the understanding the Group's cash generating performance as well as availability for debt repayment, dividend distribution and own reserves.

OTE Group	1st Half 2023	1st Half 2022
Net cash flows from operating activities	654.3	679.8
Purchase of property, plant, equipment & intangible assets	(246.6)	(262.0)
Interest received	5.3	0.9
Free Cash Flow	413.0	418.7
Lease repayments	(42.9)	(39.7)
Free Cash Flow After Lease (AL)	370.1	379.0
Payment for voluntary leave schemes	5.0	2.4
Payment for other restructuring costs	1.6	5.1
Spectrum payments	-	1.2
Adjusted Free Cash Flow After Lease (AL)	376.7	387.7

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. For the respective period of 2023 and the comparable period of 2022, Profit to owners of the parent was impacted by costs related to voluntary leave schemes and other restructuring costs.

OTE Group	1 st Half 2023	1 st Half 2022
Profit to owners of the Parent from continuing operations (reported)	247.2	236.2
Costs related to voluntary leave schemes	20.8	25.5
Other restructuring costs	0.8	0.3
Adjusted Profit to owners of the parent	268.8	262.0

Maroussi, August 3, 2023

Michael Tsamaz
Chairman and Managing Director

Charalampos Mazarakis
Board Member

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

TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

Independent Auditor's Review Report

To the Board of Directors of the Company HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying interim separate and consolidated statement of financial position of the Company HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. as of June 30, 2023 and the related interim separate and consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selective explanatory notes which together comprise the interim condensed financial information and which represent an integral part of the six month financial report as provided by Law 3556/2007.

Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as endorsed by the European Union and applicable 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 the International Standard on Review Engagements (ISRE) 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 transposed in Greek Legislation 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 interim condensed 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 members of the Board of Directors and the information in the half-year Report of the Board of Directors, as provided by articles 5 and 5a of Law 3556/2007, when compared to the accompanying interim condensed separate and consolidated financial information.

Athens, August 3, 2023

The Certified Public Accountant

Dimitris Katsibokis

Reg. No. SOEL: 34671

Deloitte Certified Public Accountants S.A.

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This document has been prepared by Deloitte Certified Public Accountants Societe Anonyme.

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IV. INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.



GROUP OF COMPANIES

INTERIM CONDENSED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE)
AS OF JUNE 30, 2023

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 33-60, were approved by the Board of Directors on August 3, 2023 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

INTERIM CONDENSED FINANCIAL STATEMENTS AS OF JUNE 30, 2023 AND FOR THE SIX MONTH PERIOD THEN ENDED

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INTERIM STATEMENTS OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		30/06/2023	31/12/2022	30/06/2023	31/12/2022
ASSETS					
Non-current assets					
Property, plant and equipment		2,135.0	2,081.1	1,423.9	1,323.5
Right-of-use assets		245.0	266.6	186.4	132.6
Goodwill		376.6	376.6	-	-
Telecommunication licenses		280.1	296.1	2.2	2.4
Other intangible assets		298.2	335.1	219.6	242.9
Investments	4	0.1	0.1	3,003.0	3,105.1
Loans to pension funds		62.7	64.7	62.7	64.7
Deferred tax assets		183.3	178.2	4.7	4.7
Contract costs	8	30.6	30.2	11.2	10.8
Other non-current assets		74.0	75.3	86.2	45.5
Total non-current assets		3,685.6	3,704.0	4,999.9	4,932.2
Current assets					
Inventories		52.8	54.0	9.9	11.6
Trade receivables		509.6	471.2	349.0	296.3
Other financial assets		5.5	4.8	3.2	2.8
Contract assets	8	57.7	49.6	8.2	6.1
Other current assets		125.4	123.7	79.7	75.8
Restricted cash		1.9	1.8	-	-
Cash and cash equivalents		821.1	590.1	440.7	163.7
Total current assets		1,574.0	1,295.2	890.7	556.3
TOTAL ASSETS		5,259.6	4,999.2	5,890.6	5,488.5
EQUITY AND LIABILITIES					
Equity attributable to owners of the Parent					
Share capital	5	1,227.3	1,227.3	1,227.3	1,227.3
Share premium	5	439.0	438.9	439.0	438.9
Treasury shares	5	(132.7)	(73.5)	(132.7)	(73.5)
Statutory reserve		440.7	440.7	440.7	440.7
Foreign exchange and other reserves		(141.5)	(138.8)	(21.0)	(20.5)
Changes in non-controlling interests		(3,314.1)	(3,314.1)	-	-
Retained earnings		3,265.1	3,267.9	1,119.9	1,215.4
Total equity attributable to owners of the Parent		1,783.8	1,848.4	3,073.2	3,228.3
Non-controlling interests	4	0.5	0.5	-	-
Total equity		1,784.3	1,848.9	3,073.2	3,228.3
Non-current liabilities					
Long-term borrowings	7	870.4	881.5	847.3	846.9
Provision for staff retirement indemnities		91.3	96.7	30.4	33.4
Provision for youth account		79.4	86.1	79.4	86.1
Contract liabilities	8	40.5	40.8	64.7	48.9
Lease liabilities		171.7	182.1	116.6	103.7
Deferred tax liabilities		0.3	0.4	-	-
Other non-current liabilities		41.4	55.7	56.0	73.7
Total non-current liabilities		1,295.0	1,343.3	1,194.4	1,192.7
Current liabilities					
Trade accounts payable		874.8	874.0	572.0	489.5
Short-term borrowings	7	80.0	150.0	191.5	40.0
Short-term portion of long-term borrowings	7	23.1	23.1	-	56.5
Income tax payable	9	187.4	92.3	111.7	39.4
Contract liabilities	8	155.8	136.1	101.4	83.0
Lease liabilities		63.5	76.1	37.1	34.2
Dividends payable	6	252.2	2.4	252.2	2.4
Other current liabilities		543.5	453.0	357.1	322.5
Total current liabilities		2,180.3	1,807.0	1,623.0	1,067.5
TOTAL EQUITY AND LIABILITIES		5,259.6	4,999.2	5,890.6	5,488.5

The accompanying notes on pages 39-60 form an integral part of these financial statements.

INTERIM INCOME STATEMENTS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro except per share data)	Notes	GROUP		COMPANY	
		1st Half		1st Half	
		2023	2022 ¹	2023	2022 ¹
Revenue					
Fixed business:					
Retail services revenues		456.8	475.9	454.9	474.0
Wholesale services revenues		273.7	289.5	299.2	171.5
Other revenues		160.8	139.7	123.1	119.6
Total revenues from fixed business		891.3	905.1	877.2	765.1
Mobile business:					
Service revenues		577.8	574.5	-	-
Handset revenues		134.1	124.0	1.1	1.0
Other revenues		7.7	19.2	-	-
Total revenues from mobile business		719.6	717.7	1.1	1.0
Miscellaneous other revenues		46.8	42.3	29.8	26.6
Total revenues		1,657.7	1,665.1	908.1	792.7
Other operating income	10	4.2	6.7	14.3	17.4
Operating expenses					
Interconnection and roaming costs		(199.8)	(214.8)	(160.6)	(41.5)
Provision for expected credit losses		(18.9)	(26.1)	(5.7)	(11.8)
Personnel costs		(218.1)	(232.8)	(50.3)	(52.6)
Costs related to voluntary leave schemes	11	(26.6)	(32.7)	(6.6)	(9.8)
Commission costs		(42.8)	(40.7)	(29.6)	(27.4)
Merchandise costs		(157.7)	(153.6)	(20.1)	(24.8)
Maintenance and repairs		(39.3)	(39.2)	(19.8)	(20.1)
Marketing		(30.3)	(29.9)	(9.0)	(9.4)
Other operating expenses, out of which:		(264.2)	(235.5)	(249.3)	(243.2)
<i>Facility and other lease related costs</i>		(53.9)	(64.9)	(32.9)	(38.4)
<i>Third party fees and services</i>		(121.7)	(89.7)	(172.6)	(165.1)
<i>Other taxes and regulatory charges</i>		(35.6)	(36.8)	(12.3)	(12.6)
<i>Construction cost network</i>		(0.1)	(0.3)	-	-
<i>Other sundry operating expenses</i>		(52.9)	(43.8)	(31.5)	(27.1)
Total operating expenses before depreciation, amortization and impairment		(997.7)	(1,005.3)	(551.0)	(440.6)
Operating profit before financial and investing activities, depreciation, amortization and impairment		664.2	666.5	371.4	369.5
Depreciation, amortization and impairment		(331.8)	(336.8)	(199.2)	(190.2)
Operating profit before financial and investing activities		332.4	329.7	172.2	179.3
Income and expense from financial and investing activities					
Interest and related expenses		(16.5)	(16.9)	(12.5)	(14.0)
Interest income		5.3	0.9	2.7	0.5
Foreign exchange differences, net		1.9	2.5	0.8	0.8
Dividend income	4,14	-	-	-	285.5
Gains / (losses) from investments and other financial assets - Impairment		0.6	(0.3)	0.3	(0.3)
Total profit / (loss) from financial and investing activities		(8.7)	(13.8)	(8.7)	272.5
Profit before tax		323.7	315.9	163.5	451.8
Income tax	9	(76.5)	(79.6)	(39.0)	(48.1)
Profit for the period		247.2	236.3	124.5	403.7
Attributable to:					
Owners of the parent		247.2	236.2	124.5	403.7
Non-controlling interests		-	0.1	-	-
Profit for the period		247.2	236.3	124.5	403.7
Earnings per share attributable to owners of the parent					
Basic earnings per share	12	0.5786	0.5337		
Diluted earnings per share	12	0.5786	0.5337		

¹ In light of the IFRS Interpretations Committee's agenda decision published in May 2022, principal vs agent assessment was revised, resulting in changes in the recognition of gross vs. net revenues. Prior-year comparatives were adjusted retrospectively. See Note 3. The accompanying notes on pages 39-60 form an integral part of these financial statements.

INTERIM STATEMENTS OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	GROUP		COMPANY	
	1st Half		1st Half	
	2023	2022	2023	2022
Profit for the period	247.2	236.3	124.5	403.7
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains / (losses)	(3.3)	23.2	(2.4)	13.7
Deferred taxes on actuarial gains / (losses)	0.7	(5.1)	0.6	(3.0)
Total items that will not be reclassified subsequently to profit or loss	(2.6)	18.1	(1.8)	10.7
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	(0.1)	0.1	-	-
Total items that may be reclassified subsequently to profit or loss	(0.1)	0.1	-	-
Other comprehensive income / (loss) for the period	(2.7)	18.2	(1.8)	10.7
Total comprehensive income for the period	244.5	254.5	122.7	414.4
Attributable to:				
Owners of the parent	244.5	254.4	122.7	414.4
Non-controlling interests	-	0.1	-	-
Total comprehensive income for the period	244.5	254.5	122.7	414.4

INTERIM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

	Attributed to equity holders of the parent								Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Statutory reserve	Foreign exchange and other reserves	Changes in non-controlling interests	Retained earnings	Total		
<i>(Amounts in millions of Euro)</i>										
Balance as at January 1, 2022	1,292.6	462.6	(157.1)	440.7	(168.6)	(3,314.1)	3,414.4	1,970.5	1.7	1,972.2
Profit for the period	-	-	-	-	-	-	236.2	236.2	0.1	236.3
Other comprehensive income	-	-	-	-	18.2	-	-	18.2	-	18.2
Total comprehensive income	-	-	-	-	18.2	-	236.2	254.4	0.1	254.5
Cancellation of treasury shares	(24.5)	(8.7)	132.4	-	-	-	(99.2)	-	-	-
Dividend distribution	-	-	-	-	-	-	(250.0)	(250.0)	-	(250.0)
Acquisition of treasury shares	-	-	(149.0)	-	-	-	-	(149.0)	-	(149.0)
Share option plans	-	(0.1)	-	-	-	-	-	(0.1)	-	(0.1)
Balance as at June 30, 2022	1,268.1	453.8	(173.7)	440.7	(150.4)	(3,314.1)	3,301.4	1,825.8	1.8	1,827.6
Balance as at January 1, 2023	1,227.3	438.9	(73.5)	440.7	(138.8)	(3,314.1)	3,267.9	1,848.4	0.5	1,848.9
Profit for the period	-	-	-	-	-	-	247.2	247.2	-	247.2
Other comprehensive income / (loss)	-	-	-	-	(2.7)	-	-	(2.7)	-	(2.7)
Total comprehensive income / (loss)	-	-	-	-	(2.7)	-	247.2	244.5	-	244.5
Dividend distribution (Note 6)	-	-	-	-	-	-	(250.0)	(250.0)	-	(250.0)
Acquisition of treasury shares (Note 5)	-	-	(59.2)	-	-	-	-	(59.2)	-	(59.2)
Share option plans	-	0.1	-	-	-	-	-	0.1	-	0.1
Balance as at June 30, 2023	1,227.3	439.0	(132.7)	440.7	(141.5)	(3,314.1)	3,265.1	1,783.8	0.5	1,784.3

The accompanying notes on pages 39-60 form an integral part of these financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY (SEPARATE)

	Share capital	Share premium	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Total equity
<i>(Amounts in millions of Euro)</i>							
Balance as at January 1, 2022	1,292.6	462.6	(157.1)	440.7	(32.8)	1,192.6	3,198.6
Profit for the period	-	-	-	-	-	403.7	403.7
Other comprehensive income	-	-	-	-	10.7	-	10.7
Total comprehensive income	-	-	-	-	10.7	403.7	414.4
Cancellation of treasury shares	(24.5)	(8.7)	132.4	-	-	(99.2)	-
Dividend distribution	-	-	-	-	-	(250.0)	(250.0)
Acquisition of treasury shares	-	-	(149.0)	-	-	-	(149.0)
Share option plans	-	(0.1)	-	-	-	-	(0.1)
Balance as at June 30, 2022	1,268.1	453.8	(173.7)	440.7	(22.1)	1,247.1	3,213.9
Balance as at January 1, 2023	1,227.3	438.9	(73.5)	440.7	(20.5)	1,215.4	3,228.3
Profit for the period	-	-	-	-	-	124.5	124.5
Other comprehensive income / (loss)	-	-	-	-	(1.8)	-	(1.8)
Total comprehensive income / (loss)	-	-	-	-	(1.8)	124.5	122.7
OTE GLOBE merger (Note 4)	-	-	-	-	1.3	30.0	31.3
Dividend distribution (Note 6)	-	-	-	-	-	(250.0)	(250.0)
Acquisition of treasury shares (Note 5)	-	-	(59.2)	-	-	-	(59.2)
Share option plans	-	0.1	-	-	-	-	0.1
Balance as at June 30, 2023	1,227.3	439.0	(132.7)	440.7	(21.0)	1,119.9	3,073.2

The accompanying notes on pages 39-60 form an integral part of these financial statements.

INTERIM STATEMENTS OF CASH FLOWS (CONSOLIDATED AND SEPARATE)

(Amounts in millions of Euro)	Notes	GROUP		COMPANY	
		01/01-30/06/2023	01/01-30/06/2022	01/01-30/06/2023	01/01-30/06/2022
Cash flows from operating activities					
Profit before tax		323.7	315.9	163.5	451.8
Adjustments for:					
Depreciation, amortization and impairment		331.8	336.8	199.2	190.2
Costs related to voluntary leave schemes	11	26.6	32.7	6.6	9.8
Provision for staff retirement indemnities		(3.8)	2.0	(4.4)	0.8
Provision for youth account		(2.4)	0.6	(2.4)	0.6
Foreign exchange differences, net		(1.9)	(2.5)	(0.8)	(0.8)
Interest income		(5.3)	(0.9)	(2.7)	(0.5)
Dividend income	4, 14	-	-	-	(285.5)
(Gains) / losses from investments and other financial assets					
- Impairment		(0.6)	0.3	(0.3)	0.3
Interest and related expenses		16.5	16.9	12.5	14.0
Working capital adjustments:					
Decrease / (increase) in inventories		1.2	(7.8)	1.7	(2.2)
Decrease / (increase) in receivables		(47.4)	(18.6)	(4.8)	(12.1)
(Decrease) / increase in liabilities (except borrowings)		24.1	24.6	11.5	(13.0)
Plus / (Minus):					
Payment for voluntary leave schemes	11	(5.0)	(2.4)	(2.7)	(0.9)
Payment of staff retirement indemnities and youth account, net of employees' contributions		(4.6)	(4.1)	(4.4)	(3.8)
Interest and related expenses paid (except leases)		(8.6)	(6.3)	(6.9)	(4.2)
Interest paid for leases		(4.5)	(4.4)	(3.2)	(2.9)
Income tax (paid) / received	9	14.5	(3.0)	33.8	(0.9)
Net cash flows from operating activities		654.3	679.8	396.2	340.7
Cash flows from investing activities					
Investment in subsidiaries		-	-	-	(15.0)
Sale or maturity of financial assets		-	0.7	-	-
Purchase of financial assets		(0.7)	(0.4)	(0.7)	(0.4)
Repayment of loans receivable		3.6	3.6	3.6	3.6
Loans granted to subsidiary		-	-	(41.0)	-
Purchase of property, plant and equipment and intangible assets		(246.6)	(262.0)	(162.5)	(176.0)
Payments related to disposal of subsidiaries / investments		-	(0.4)	-	(0.4)
Movement in restricted cash		(0.1)	0.1	-	-
Interest received		5.3	0.9	2.7	0.5
Dividends received		-	-	-	255.0
Net cash flows from / (used in) investing activities		(238.5)	(257.5)	(197.9)	67.3
Cash flows from financing activities					
Acquisition of treasury shares	5	(59.1)	(150.7)	(59.1)	(150.7)
Proceeds from loans	7	80.0	150.0	191.5	40.0
Repayment of loans	7	(161.5)	(11.5)	(96.5)	-
Lease repayments		(42.9)	(39.7)	(21.4)	(11.3)
Financial liabilities related to wallets		(1.0)	-	-	-
Dividends paid to Company's owners		(0.2)	(0.1)	(0.2)	(0.1)
Net cash flows from / (used in) financing activities		(184.7)	(52.0)	14.3	(122.1)
Net increase in cash and cash equivalents		231.1	370.3	212.6	285.9
Cash and cash equivalents, at the beginning of the period		590.1	630.7	163.7	274.0
Net foreign exchange differences		(0.1)	0.1	-	-
OTE GLOBE merger	4	-	-	64.4	-
Cash and cash equivalents, at the end of the period		821.1	1,001.1	440.7	559.9

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, 2023 holds a 50.9% interest in OTE (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, 2023 and for the six month period then ended, were approved for issuance by the Board of Directors on August 3, 2023.

The total numbers of Group and Company employees as of June 30, 2023 and 2022 and as of December 31, 2022 were as follows:

	GROUP	COMPANY
June 30, 2023	10,934	2,662
December 31, 2022	11,020	2,510
June 30, 2022	11,227	2,552

Group number of employees includes 239 employees (Company: 56 employees) who participated in voluntary leave schemes implemented in the current period and will leave the Group in the second half of 2023.

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	
			30/06/2023	31/12/2022
COSMOTE MOBILE TELECOMMUNICATIONS SINGLE MEMBER S.A. (“COSMOTE”)	Mobile telecommunications services	Greece	100.00%	100.00%
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 SINGLE MEMBER S.A. (“OTE GLOBE”)	Wholesale telephony services	Greece	-	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 MOBILE COMMUNICATIONS S.A. (“TELEKOM ROMANIA MOBILE”)	Mobile telecommunications services	Romania	100.00%	100.00%
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 NOTIFICATION 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%

ENTITY NAME	LINE OF BUSINESS	COUNTRY	GROUP'S OWNERSHIP INTEREST	
			30/06/2023	31/12/2022
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%
UltrafastOTE SINGLE MEMBER SOCIETE ANONYME S.P.V. ("UltrafastOTE")	Wholesale broadband and infrastructure services	Greece	100.00%	100.00%
COSMOTE PAYMENTS - ELECTRONIC MONEY SERVICES SINGLE MEMBER S.A. ("COSMOTE PAYMENTS")	Electronic money services	Greece	100.00%	100.00%
COSMOTE GLOBAL SOLUTIONS N.V.	ICT services	Belgium	100.00%	100.00%

MERGER THROUGH ABSORPTION OF OTE GLOBE

In July 2022, OTE Board of Directors approved the merger by absorption of its wholly owned subsidiary, OTE GLOBE. The transaction was completed on January 2, 2023 upon registration in the General Commercial Registry (Γ.Ε.ΜΗ.).

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, 2022, which are available on the Company's website https://www.cosmote.gr/cs/otegroup/en/oikonomikes_katastaseis_omilou_ote_kai_ae.html.

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.

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

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, 2022.

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, 2022 and which are comprehensively presented in the notes of the annual financial statements, except for the adoption of the following new and amended standards and interpretations which became effective for the accounting periods beginning January 1, 2023, 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, 2023.

Standards and Interpretations effective for the current financial year

- **IAS 1 (Amendments) "Presentation of Financial Statements" and IFRS Practice Statement 2:** "Disclosure of Accounting policies": The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures.
- **IAS 8 (Amendments) "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates":** The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

- **IAS 12 (Amendments) “Deferred tax related to Assets and Liabilities arising from a Single Transaction”:** The amendments require companies to 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.
- **IFRS 17 “Insurance contracts” and Amendments to IFRS 17:** IFRS 17 has been issued in May 2017 and, along with the amendments to IFRS 17 issued in June 2020, supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost.
- **IFRS 17 (Amendment) “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”:** The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.
- **IAS 12 (Amendment) “Income Taxes”:** The amendment clarifies that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendment has not yet been endorsed by the EU.

Standards and Interpretations effective for subsequent periods

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

- **IAS 1 (Amendment) “Classification of liabilities as current or non-current** (effective for annual periods beginning on or after January 1, 2024): The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability. The amendment has not yet been endorsed by the EU.
- **IAS 1 (Amendment) “Non-Current Liabilities with Covenants”** (effective for annual periods beginning on or after January 1, 2024): The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date. The right to defer settlement is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. The amendment has not yet been endorsed by the EU.
- **IAS 7 (Amendments) “Statement of Cash Flows” and IFRS 7 (Amendments) “Financial Instruments: Disclosures”** (effective for annual periods beginning on or after January 1, 2024): The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity’s liabilities and cash flows and the entity’s exposure to liquidity risk. Under the existing Application Guidance in IFRS 7, an entity is required to disclose a description of how it manages the liquidity risk resulting from financial liabilities. The amendments include as an additional factor whether the entity has accessed, or has access to, supplier finance arrangements that provide the entity with extended payment terms or the entity’s suppliers with early payment terms. The amendments have not yet been endorsed by the EU.
- **IFRS 16 (Amendment) “Lease Liability in a Sale and Leaseback”** (effective for annual periods beginning on or after January 1, 2024): The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 “Revenue from Contracts with Customers” to be accounted for as a sale. The amendments require the seller-lessee to determine “lease payments” or “revised lease payments” such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendment has not yet been endorsed by the EU.

Changes in accounting policies

Gross vs. Net Disclosure - Change in principal/agent consideration

In light of the IFRS Interpretations Committee's agenda decision published in May 2022 on transactions involving the commercial resale of software, the Group has changed its accounting practices with respect to distinguishing between gross and net revenues, effective from the start of the third quarter of 2022 (Note 2 of Annual Financial Statements 2022). For the Group, the question arose particularly in the case of branded digital products (e.g., streaming services, software licenses, cloud-based software as a service) provided by and purchased from third parties and sold to customers as part of its product portfolio.

In the context of the change in policy, the Group determines that it only acts as a principal and thus recognizes revenues on a gross basis in the aforementioned cases if the customer does not enter into any contractual relationship with the third-party supplier, the Group bears primary responsibility for product acceptance and customer support, and is in a position to set the price for the customer.

The change has primarily affected the areas of digital services (mainly licenses in ICT projects and content arrangements via telecom services), purchased from third parties and sold to customers as part of the Group's product portfolio.

The change has no impact on the "Operating profit before financial and investing activities, depreciation, amortization and impairment" and the "Profit of the year".

Prior-year comparatives were adjusted retrospectively. More specifically, the impact in the income statements of the first half of 2022 for the Group and the Company is presented below:

(Amounts in millions of Euro)	GROUP			COMPANY		
	1st half 2022 (before restatement)	Adjustments	1st half 2022 restated	1st half 2022 (before restatement)	Adjustments	1st half 2022 restated
Revenue						
Other revenues	144.8	(5.1)	139.7	124.7	(5.1)	119.6
Total revenues from fixed business	910.2	(5.1)	905.1	770.2	(5.1)	765.1
Service revenues	579.2	(4.7)	574.5	-	-	-
Total revenues from mobile business	722.4	(4.7)	717.7	1.0	-	1.0
Total revenues	1,674.9	(9.8)	1,665.1	797.8	(5.1)	792.7
Interconnection and roaming costs	(217.7)	2.9	(214.8)	(43.6)	2.1	(41.5)
Merchandise costs	(154.5)	0.9	(153.6)	(25.7)	0.9	(24.8)
Other operating expenses, out of which:						
<i>Third party fees and services</i>	(91.5)	1.8	(89.7)	(166.9)	1.8	(165.1)
<i>Other sundry operating expenses</i>	(48.0)	4.2	(43.8)	(27.4)	0.3	(27.1)
Total operating expenses before depreciation, amortization and impairment	(1,015.1)	9.8	(1,005.3)	(445.7)	5.1	(440.6)

4. INVESTMENTS

Investments are analyzed as follows:

	GROUP		COMPANY	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
(a) Investments in subsidiaries	-	-	3,002.9	3,105.0
(b) Other investments	0.1	0.1	0.1	0.1
TOTAL	0.1	0.1	3,003.0	3,105.1

(a) Investments in subsidiaries are analyzed as follows:

COMPANY	OTE's direct ownership interest	Country of incorporation	30/06/2023	31/12/2022
COSMOTE	100.00%	Greece	2,763.3	2,763.2
COSMOTE PAYMENTS	100.00%	Greece	18.9	18.9
COSMOTE TV PRODUCTIONS	100.00%	Greece	3.8	3.8
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	12.8
OTE ESTATE	100.00%	Greece	72.6	72.6
OTE GLOBE	100.00%	Greece	-	102.2
OTE INSURANCE	99.90%	Greece	0.1	0.1
OTE ACADEMY	100.00%	Greece	3.2	3.2
OTE RURAL NORTH	100.00%	Greece	1.8	1.8
OTE RURAL SOUTH	100.00%	Greece	2.2	2.2
UltrafastOTE	100.00%	Greece	15.0	15.0
GERMANOS	4.39%	Greece	6.4	6.4
COSMOTE E-VALUE	7.17%	Greece	2.1	2.1
TELEKOM ROMANIA MOBILE	100.00%	Romania	96.0	96.0
TOTAL			3,002.9	3,105.0

The movement of investments in subsidiaries is as follows:

COMPANY	2023
Carrying value January 1	3,105.0
Subsidiaries' share option plans (COSMOTE)	0.1
OTE GLOBE merger (see section below "Merger through absorption of OTE GLOBE")	(102.2)
Carrying value June 30	3,002.9

MERGER THROUGH ABSORPTION OF OTE GLOBE

In July 2022, OTE Board of Directors approved the merger by absorption of its wholly owned subsidiary, OTE GLOBE. The transaction was completed on January 2, 2023 upon registration in the Greek General Commercial Registry (Γ.Ε.ΜΗ.).

The carrying amounts of assets and liabilities of OTE GLOBE were transferred and incorporated into the separate financial statements of OTE as at the date of the legal merger, while OTE's investment in OTE GLOBE has been written off. The difference between the net assets transferred and the cost of investment has been recognized directly in equity.

The transaction was completed without any issue of shares or other consideration. In addition, the consolidated financial statements have not been affected.

The assets and liabilities incorporated into the separate financial statements of OTE as at the date of the legal merge were as follows:

OTE GLOBE balances as at the date of the legal merge	January 2, 2023
Assets	
Property, plant and equipment	45.0
Right-of-use assets	68.2
Other intangible assets	0.9
Deferred tax assets	1.3
Other non-current assets	0.2
Total non-current assets	115.6
Trade receivables	47.9
Other current assets	5.7
Cash and cash equivalents	64.4
Total current assets	118.0
Total Assets	233.6
Liabilities	
Provision for staff retirement indemnities	0.5
Contract liabilities	19.1
Lease liabilities	21.8
Other non-current liabilities	0.1
Total non-current liabilities	41.5
Trade payables	44.0
Income tax payable	1.4
Contract liabilities	1.9
Lease liabilities	7.5
Other current liabilities	3.8
Total current liabilities	58.6
Total liabilities	100.1
Net assets	133.5
OTE's investment in OTE GLOBE	(102.2)
Net assets recognized in equity	31.3
thereof in line "Foreign exchange and other reserves"	1.3
thereof in line "Retained earnings"	30.0

Following the completion of the process, the Company's income statement for the first half of 2023 includes the operations of both OTE and OTE GLOBE. As a result, the financial figures for the current period are not directly comparable to the previous period.

In the first half of 2023, in the Company's income statement, the lines "Wholesale services revenues" and "Interconnection and roaming costs" include an amount of Euro 142.5 and Euro 138.0 respectively, in relation to the operations of international wholesale business, previously performed by OTE GLOBE.

In the comparative period of the first half of 2022, in the Company's income statement, the line "Wholesale services revenues" includes an amount of Euro 3.3 in relation to services provided by OTE to OTE GLOBE and the line "Interconnection and roaming costs" includes an amount of Euro 17.9, in relation to services OTE received from OTE GLOBE.

DIVIDEND INCOME

The dividend income is analyzed as follows:

COMPANY	1st Half 2023	1st Half 2022
COSMOTE	-	250.0
OTE PLC	-	25.0
OTE GLOBE	-	10.0
OTESAT-MARITEL	-	0.5
TOTAL	-	285.5

NON-CONTROLLING INTERESTS

The Group's non-controlling interests amount to Euro 0.5 as of June 30, 2023 (December 31, 2022: Euro 0.5).

5. SHARE CAPITAL - SHARE PREMIUM - TREASURY SHARES

OTE's share capital as of June 30, 2023 amounted to Euro 1,227.3 (December 31, 2022: Euro 1,227.3) divided into 433,664,596 registered shares, with a nominal value of Euro 2.83 (absolute amount) per share.

The share premium as of June 30, 2023 amounted to Euro 439.0 (December 31, 2022: Euro 438.9).

Within the framework of the Share Repurchase Program, during the period from January 1, 2023 to June 30, 2023 OTE acquired 4,287,502 treasury shares amounting to Euro 59.2.

The following is an analysis of the ownership of OTE's shares as of June 30, 2023:

Shareholder	Number of shares	Percentage %
DEUTSCHE TELEKOM AG	220,567,676	50.9%
Hellenic State	4,901,507	1.1%
e-E.F.K.A.	27,061,644	6.2%
Free float	172,093,175	39.7%
Treasury shares	9,040,594	2.1%
TOTAL	433,664,596	100.0%

The stake of e-E.F.K.A includes 19,606,015 shares transferred by Hellenic State in 2009.

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

	Number of shares	Amount
Treasury shares as at January 1, 2023	4,753,092	73.5
Treasury shares acquired during the period	4,287,502	59.2
Treasury shares as at June 30, 2023	9,040,594	132.7

The Ordinary General Meeting of Shareholders of June 7, 2023 approved the cancellation of 7,417,049 treasury shares, acquired during the period from October 3, 2022 to April 30, 2023, together with the corresponding reduction in the Company's share capital of Euro 21.0.

Following notification to the Corporate Actions Committee of the Athens Stock Exchange and the completion of other legal and regulatory procedures, the aforementioned 7,417,049 shares were cancelled and delisted from the Athens Stock Exchange effective from July 18, 2023.

6. DIVIDENDS

On June 7, 2023, the Ordinary General Assembly of OTE's Shareholders approved the distribution of dividend of a total amount of Euro 250.0 or Euro 0.58878 (in absolute amount) per share.

The amount of dividends payable for the Group and the Company as of June 30, 2023 amounted to Euro 252.2 (December 31, 2022: Euro 2.4).

Dividend payout took place on July 11, 2023.

7. LONG-TERM AND SHORT-TERM BORROWINGS

LONG - TERM BORROWINGS

Long-term borrowings are analyzed as follows:

GROUP	30/06/2023	31/12/2022
a) Bank loans	196.2	207.7
b) Global Medium-Term Note Programme ("GMTN") of OTE PLC	697.3	696.9
Total long-term debt	893.5	904.6
Short-term portion of long-term debt	(23.1)	(23.1)
Long-term borrowings	870.4	881.5

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

Description	Rate	Maturity	31/12/2022		30/06/2023			
			Outstanding nominal value	Book value	Repayments/Prepayments	Amortization of expenses	Outstanding nominal value	Book value
a) Bank loans								
EIB loan Euro 150.0	2.805%	23/01/2025	57.7	57.7	(11.5)	-	46.2	46.2
EBRD - RRF loan Euro 93.8	0.770%	05/07/2030	93.8	93.8	-	-	93.8	93.8
EBRD loan Euro 56.2	2.880%	05/07/2030	56.2	56.2	-	-	56.2	56.2
b) Global Medium-Term Note Programme of OTE PLC								
Euro 500.0 bond	0.875%	24/09/2026	500.0	496.9	-	0.4	500.0	497.3
Euro 200.0 bond	0.627%	12/05/2028	200.0	200.0	-	-	200.0	200.0
			907.7	904.6	(11.5)	0.4	896.2	893.5

DEUTSCHE TELEKOM AG participated on September 2019 in the issuance of the Euro 500.0 Bond by OTE PLC under the GMTN Programme, covering a nominal amount of Euro 100.0 out of the total amount.

The Euro 200.0 Bond which was issued by OTE PLC in May 2021 under the GMTN Programme, was fully subscribed by DEUTSCHE TELEKOM AG.

For the Group, as of June 30, 2023, the short-term portion of long-term debt amounts to Euro 23.1 related to the EIB loan (December 31, 2022: Euro 23.1 related to the EIB loan).

COMPANY	30/06/2023	31/12/2022
a) Bank loans	150.0	150.0
b) Intragroup loans	697.3	753.4
Total long-term debt	847.3	903.4
Short-term portion of long-term borrowings	-	(56.5)
Long-term borrowings	847.3	846.9

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

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

Description	Maturity	31/12/2022		30/06/2023			
		Outstanding nominal value	Book value	Repayments/Prepayments	Amortization of expenses	Outstanding nominal value	Book value
a) Bank loans							
EBRD - RRF loan Euro 93.8	05/07/2030	93.8	93.8	-	-	93.8	93.8
EBRD loan Euro 56.2	05/07/2030	56.2	56.2	-	-	56.2	56.2
b) Intragroup loans (OTE PLC)							
Euro 101.5 bond loan	15/06/2023	56.5	56.5	(56.5)	-	-	-
Euro 500.0 bond loan	24/09/2026	500.0	496.9	-	0.4	500.0	497.3
Euro 200.0 bond loan	12/05/2028	200.0	200.0	-	-	200.0	200.0
		906.5	903.4	(56.5)	0.4	850.0	847.3

For the Company, as of June 30, 2023, the short-term portion of long-term borrowings amounts to Euro nil (December 31, 2022: Euro 56.5).

SHORT - TERM BORROWINGS

GROUP

The Group's outstanding balance of short-term borrowings as of June 30, 2023 amounted to Euro 80.0 (December 31, 2022: Euro 150.0), relating to Euro 80.0 Bond issued by OTE PLC.

The analysis of short-term loans is as follows:

Description	Maturity date	31/12/2022	30/06/2023		
		Book value	New loans	Repayments/Prepayments	Book value
Global Medium-Term Note Programme of OTE PLC					
Euro 150.0 bond	08/06/2023	150.0	-	(150.0)	-
Euro 80.0 bond	19/10/2023	-	80.0	-	80.0
		150.0	80.0	(150.0)	80.0

On June 20, 2023, OTE PLC issued a Euro 80.0 Bond due in October 2023 under the existing GMTN Programme, fully subscribed by DEUTSCHE TELEKOM AG.

COMPANY

The outstanding balance of short-term borrowings as of June 30, 2023 for the Company amounted to Euro 191.5 (December 31, 2022: Euro 40.0).

The analysis of short-term loans is as follows:

Description	Maturity date	31/12/2022	30/06/2023		
		Book value	New loans	Repayments/Prepayments	Book value
Intragroup loans (OTE PLC)					
Euro 40.0 bond loan	20/06/2023	40.0	-	(40.0)	-
Euro 80.0 bond loan	19/10/2023	-	80.0	-	80.0
Euro 111.5 bond loan	20/06/2024	-	111.5	-	111.5
		40.0	191.5	(40.0)	191.5

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

8. CONTRACT BALANCES

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

	GROUP		COMPANY	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Contract costs (short-term portion)	20.5	19.6	7.0	6.9
Contract costs (long-term portion)	10.1	10.6	4.2	3.9
Total contract costs	30.6	30.2	11.2	10.8
Contract assets (short-term portion)	20.4	21.2	5.9	4.3
Contract assets (long-term portion)	37.3	28.4	2.3	1.8
Total contract assets	57.7	49.6	8.2	6.1
Total assets	88.3	79.8	19.4	16.9
Contract liabilities (short-term portion)	155.8	136.1	101.4	83.0
Contract liabilities (long-term portion)	40.5	40.8	64.7	48.9
Total liabilities	196.3	176.9	166.1	131.9

9. INCOME TAXES

The corporate income tax rate in Greece is 22% and in Romania is 16%.

Greek tax regulations and related clauses are subject to interpretation by the tax authorities and administrative courts of law. Tax returns are filed annually. The profits or losses declared for tax purposes remain provisional until the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. In accordance with the Greek tax legislation (article 36 of law 4174/2013) in force and the respective Ministerial Decisions issued, the Greek tax authorities may impose additional taxes and penalties following a tax audit, within the applicable statute of limitations which in principle is five years as from the end of the following fiscal year within which the relevant tax return should have been submitted. Based on the above, the right of the tax authorities to impose additional income taxes for the fiscal years up to 2016 (inclusive) is considered in principle and under the general rules as time-barred.

From the financial year 2011 and onwards, the tax returns are subject to the Tax compliance report process (as described below).

Tax compliance report

From the financial year 2011 and onwards, Greek Société Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements are subject to the "Tax compliance report" process as provided for by paragraph 5 of Article 82 of law 2238/1994 and article 65a of law 4174/2013. This "Tax compliance report" is issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm issues to the entity a "Tax compliance report" which is subsequently submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm.

For the Greek companies of the Group that are subject to the above process, the "Tax compliance report" for the years 2011 till 2021, has been issued and submitted with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the respective annual financial statements.

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

For the Greek companies of the Group that are subject to the Tax Certificate process, the tax audit for the financial year 2022 is performed by Deloitte Certified Public Accountants S.A. and the "Tax Compliance Report" will be issued in the last quarter of 2023.

Unaudited tax years

Taking into account the "Tax compliance report" described above (where applicable), the table below presents the years for which the tax audit has not been performed / completed:

ENTITY	Open Tax Years
OTE	2022
COSMOTE	2022
OTE PLC	2019 - 2022
OTESAT-MARITEL	2022
CTS	2022
OTE ESTATE	2022
OTE INSURANCE	2022
OTE ACADEMY	2022
COSMOTE TV PRODUCTIONS	2022
TELEKOM ROMANIA MOBILE	2017 - 2022
GERMANOS	2022
COSMOTE E-VALUE	2022
MOBILBEEEP LTD	2017 - 2022
E-VALUE LTD	2022
COSMOHOLDING INTERNATIONAL B.V.	2014 - 2022
E-VALUE INTERNATIONAL S.A.	2016 - 2022
OTE RURAL NORTH	2016 - 2017, 2022
OTE RURAL SOUTH	2016 - 2017, 2022
UltrafastOTE	2022
COSMOTE PAYMENTS	2018 - 2022
COSMOTE GLOBAL SOLUTIONS N.V.	2018 - 2022

- COSMOTE has received a tax audit notification for years 2018 and 2019. The audits are in progress.
- OTE and OTE GLOBE have received within 2023, a tax audit notification for years 2017 and 2018. OTE GLOBE was absorbed by OTE on January 02, 2023.
- OTE RURAL SOUTH and OTE RURAL NORTH have received within 2022, a tax audit notification for years 2016 and 2017. In 2023, the tax audits were completed for both entities. No penalties or additional taxes were imposed by the tax authorities.
- OTESAT-MARITEL has received within 2023, a tax audit notification for years 2019 and 2020.
- TELEKOM ROMANIA MOBILE is under tax audit for years 2017-2021.
- TELEMobil S.A. (ZAPP), GERMANOS TELECOM ROMANIA S.A. and SUNLIGHT ROMANIA S.R.L FILIALA were absorbed in 2017 by TELEKOM ROMANIA MOBILE. The companies have not been audited for years 2016 and 2017.

The Group and the Company have established provisions for open tax cases or unaudited years.

The major components of income tax expense are as follows:

GROUP	1st Half	
	2023	2022
Current income tax	81.0	85.3
Deferred income tax	(4.5)	(5.7)
Total income tax	76.5	79.6

COMPANY	1st Half	
	2023	2022
Current income tax	37.1	43.8
Deferred income tax	1.9	4.3
Total income tax	39.0	48.1

Within 2022, OTE received a tax audit notification (temporary audit), due to the fact that the submission of corporate income tax return of 2021, resulted to a credit amount of Euro 35.0. The tax authorities have approved the refund of this amount and within January 2023, the whole amount has been collected by OTE.

Income tax payable for the Group and the Company as of June 30, 2023 amounted to Euro 187.4 and 111.7, respectively (December 31, 2022: Euro 92.3 and 39.4, respectively).

Income tax receivable for the Group and the Company as of June 30, 2023 amounted to Euro 2.4 and Euro nil, respectively (December 31, 2022: Euro 2.8 and Euro nil, respectively) and is recorded under “Other current assets”.

10. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

GROUP	1st Half	
	2023	2022
Gain from disposal of property, plant and equipment and materials	0.3	3.3
Income from subsidiaries	1.4	0.6
Income from related parties (Note 14)	0.1	-
Other	2.4	2.8
TOTAL	4.2	6.7

COMPANY	1st Half	
	2023	2022
Gain from disposal of property, plant and equipment and materials	-	3.3
Income from subsidiaries	0.9	0.4
Income from related parties (Note 14)	12.8	13.2
Other	0.6	0.5
TOTAL	14.3	17.4

11. VOLUNTARY LEAVE SCHEMES

OTE Voluntary Leave Scheme

In the first half of 2023, OTE proceeded to the implementation of voluntary leave schemes, the respective cost of which amounted to Euro 6.6.

Other voluntary leave schemes

In the first half of 2023, the operating segments, COSMOTE Group – Greece, TELEKOM ROMANIA MOBILE and Other, implemented voluntary leave schemes, the total cost of which was Euro 10.2, Euro 0.4 and Euro 9.4, respectively.

The total cost of the above mentioned programs for the first half of 2023, amounted to Euro 26.6 and Euro 6.6 for the Group and the Company, respectively. Amounts paid during the first half of 2023, in relation to voluntary leave schemes were Euro 5.0 for the Group and Euro 2.7 for the Company.

12. EARNINGS PER SHARE

Earnings per share (after income taxes) are calculated by dividing the profit attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period. Diluted earnings per share incorporates stock options (if any) for which the average share price for the period is in excess of the exercise price of the stock option and which create a dilutive effect. As of June 30, 2023 and 2022 there was no dilution effect.

Earnings per share are analyzed as follows:

GROUP	1st Half	
	2023	2022
Profit attributable to owners of the parent	247.2	236.2
Weighted average number of shares for basic earnings per share	427,255,512	442,598,122
Weighted average number of shares adjusted for the effect of dilutions	427,255,512	442,598,122
Basic earnings per share	0.5786	0.5337
Diluted earnings per share	0.5786	0.5337

(Earnings per share are in absolute amounts)

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 financing subsidiary, OTE PLC, as well as the Group's technical field operations subsidiary, CTS. The operations of OTE GLOBE (international wholesale business), for the first half of 2022, were classified under the operating segment “Other”. Following its absorption by OTE, the operations of OTE GLOBE were classified under the reportable segment “OTE” (Note 4).

The types of services provided by the reportable segments are as follows:

- OTE is a provider of fixed-line services, internet access services, national and international wholesale 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.

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; 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, 2023	OTE	COSMOTE Group – Greece	TELEKOM ROMANIA MOBILE	OTHER	TOTAL	Elim.	GROUP
Retail services revenues (fixed business)	454.3	2.5	-	-	456.8	-	456.8
Service revenues (mobile business)	-	483.9	93.9	-	577.8	-	577.8
Revenue from the sale of goods and merchandise	3.3	99.8	36.5	2.5	142.1	-	142.1
Revenues from the use of assets	66.4	-	1.0	2.3	69.7	-	69.7
Other revenues	351.6	26.0	6.8	26.9	411.3	-	411.3
External revenue	875.6	612.2	138.2	31.7	1,657.7	-	1,657.7
Intersegment revenue	32.5	78.6	0.1	128.2	239.4	(239.4)	-
Total revenue	908.1	690.8	138.3	159.9	1,897.1	(239.4)	1,657.7
Operating profit before financial and investing activities, depreciation, amortization and impairment	371.4	284.2	21.2	19.8	696.6	(32.4)	664.2
Depreciation, amortization and impairment	(199.2)	(131.7)	(17.0)	(11.8)	(359.7)	27.9	(331.8)
Operating profit before financial and investing activities	172.2	152.5	4.2	8.0	336.9	(4.5)	332.4
Interest income	2.7	1.6	0.9	4.8	10.0	(4.7)	5.3
Interest and related expenses	(12.5)	(6.4)	(1.4)	(5.4)	(25.7)	9.2	(16.5)
Income tax	(39.0)	(35.5)	-	(2.7)	(77.2)	0.7	(76.5)
Profit for the period	124.5	112.4	4.8	4.8	246.5	0.7	247.2
Purchase of property plant and equipment and intangible assets	162.5	59.9	18.8	5.4	246.6	-	246.6

Six month period ended June 30, 2022	OTE	COSMOTE Group – Greece	TELEKOM ROMANIA MOBILE	OTHER	TOTAL	Elim.	GROUP
Retail services revenues (fixed business)	473.6	2.3	-	-	475.9	-	475.9
Service revenues (mobile business)	-	471.7	102.8	-	574.5	-	574.5
Revenue from the sale of goods and merchandise	2.3	90.1	34.1	1.9	128.4	-	128.4
Revenues from the use of assets	75.1	-	1.2	2.0	78.3	-	78.3
Other revenues	202.9	22.7	18.4	164.0	408.0	-	408.0
External revenue	753.9	586.8	156.5	167.9	1,665.1	-	1,665.1
Intersegment revenue	38.8	77.6	0.1	142.1	258.6	(258.6)	-
Total revenue	792.7	664.4	156.6	310.0	1,923.7	(258.6)	1,665.1
Operating profit before financial and investing activities, depreciation, amortization and impairment	369.5	262.6	36.1	28.6	696.8	(30.3)	666.5
Depreciation, amortization and impairment	(190.2)	(128.6)	(23.6)	(20.4)	(362.8)	26.0	(336.8)
Operating profit / (loss) before financial and investing activities	179.3	134.0	12.5	8.2	334.0	(4.3)	329.7
Dividend income	285.5	-	-	-	285.5	(285.5)	-
Interest income	0.5	0.1	0.6	8.4	9.6	(8.7)	0.9
Interest and related expenses	(14.0)	(6.0)	(1.1)	(9.5)	(30.6)	13.7	(16.9)
Income tax	(48.1)	(28.4)	(0.1)	(2.8)	(79.4)	(0.2)	(79.6)
Profit / (loss) for the period	403.7	100.3	11.7	5.6	521.3	(285.0)	236.3
Purchase of property plant and equipment and intangible assets	176.0	55.1	17.4	13.5	262.0	-	262.0

30/06/2023	OTE	COSMOTE Group – Greece	TELEKOM ROMANIA MOBILE	OTHER	TOTAL	Elim.	GROUP
Segment assets	2,887.7	2,119.5	316.4	1,422.6	6,746.2	(1,486.6)	5,259.6
Segment liabilities	2,817.4	862.4	190.9	1,091.2	4,961.9	(1,486.6)	3,475.3

31/12/2022	OTE	COSMOTE Group – Greece	TELEKOM ROMANIA MOBILE	OTHER	TOTAL	Elim.	GROUP
Segment assets	2,383.5	2,177.1	325.2	1,680.2	6,566.0	(1,566.8)	4,999.2
Segment liabilities	2,260.2	1,031.5	204.2	1,221.2	4,717.1	(1,566.8)	3,150.3

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, 2023 include loans and interest receivable by OTE PLC of an amount of Euro 903.0 (December 31, 2022: Euro 951.8) which is eliminated at Group level.

GEOGRAPHIC INFORMATION

Geographic information for the Group’s revenues and operating profit before financial and investing activities, depreciation, amortization and impairment is as follows:

Six month period ended June 30, 2023	GREECE	ROMANIA	Elim.	TOTAL
Total revenues	1,522.8	138.3	(3.4)	1,657.7
Operating profit before financial and investing activities, depreciation, amortization and impairment	643.0	21.2	-	664.2

Six month period ended June 30, 2022	GREECE	ROMANIA	Elim.	TOTAL
Total revenues	1,511.5	156.6	(3.0)	1,665.1
Operating profit before financial and investing activities, depreciation, amortization and impairment	630.4	36.1	-	666.5

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 (Note 1). Transactions and balances between companies in the OTE Group are eliminated on consolidation.

DEUTSCHE TELEKOM AG is a 50.9% 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 and receives loans to and from these related parties and also receives and pays dividends.

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

	1st Half 2023		1st Half 2022	
	Sales OTE	Purchases OTE	Sales OTE	Purchases OTE
COSMOTE Group - Greece	27.3	70.3	30.6	72.5
COSMOTE TV PRODUCTIONS	-	3.3	-	3.2
COSMO-ONE	-	-	-	0.2
OTESAT-MARITEL	0.2	0.2	0.1	0.1
CTS	-	76.7	-	77.5
OTE ESTATE	0.1	2.6	0.2	0.7
OTE GLOBE	-	-	3.5	17.9
OTE ACADEMY	-	1.6	-	1.0
TELEKOM ROMANIA MOBILE	1.1	-	1.1	-
COSMOTE PAYMENTS	-	3.2	-	2.1
COSMOTE GLOBAL SOLUTIONS N.V.	-	0.7	-	0.3
OTE RURAL NORTH	1.6	2.4	1.4	2.2
OTE RURAL SOUTH	2.2	3.5	1.9	3.1
DEUTSCHE TELEKOM group of companies (except for OTE Group)	4.0	7.3	1.4	4.8
TOTAL	36.5	171.8	40.2	185.6

Purchases of OTE from CTS include network construction services amounting to Euro 9.5 for the first half of 2023 (first half of 2022: Euro 9.7).

Purchases of OTE from related parties do not include an amount of Euro 19.0 related to lease expenses (first half of 2022: Euro 18.2).

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

	1st Half 2023		1st Half 2022	
	Group's sales	Group's purchases	Group's sales	Group's purchases
DEUTSCHE TELEKOM group of companies (except for OTE Group)	8.9	16.8	10.1	15.6
TOTAL	8.9	16.8	10.1	15.6

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

	Other operating income OTE	
	1st Half 2023	1st Half 2022
COSMOTE Group - Greece	7.5	7.8
OTE ESTATE	0.1	-
OTE ACADEMY	0.1	0.1
OTESAT-MARITEL	-	0.2
CTS	5.1	5.1
TOTAL	12.8	13.2

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 2023	1st Half 2022
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 interest expense on lease liabilities to related parties, are analyzed as follows:

	1st Half 2023		1st Half 2022	
	Finance income OTE	Finance expense OTE	Finance income OTE	Finance expense OTE
OTE PLC	-	3.7	-	8.3
COSMOTE Group - Greece	-	-	0.1	0.1
OTE RURAL SOUTH	0.1	0.1	0.2	-
UltrafastOTE	0.1	-	-	-
OTE ESTATE	-	2.4	-	2.6
TOTAL	0.2	6.2	0.3	11.0

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

	Dividend income OTE	
	1st Half 2023	1st Half 2022
COSMOTE	-	250.0
OTE PLC	-	25.0
OTE GLOBE	-	10.0
OTESAT-MARITEL	-	0.5
TOTAL	-	285.5

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

	30/06/2023		31/12/2022	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
COSMOTE Group - Greece	31.9	129.0	45.4	146.4
TELEKOM ROMANIA MOBILE	0.7	1.0	0.6	2.0
COSMOTE TV PRODUCTIONS	0.1	1.0	-	1.3
OTESAT-MARITEL	3.8	-	4.1	-
CTS	4.6	32.6	13.9	35.2
COSMOTE PAYMENTS	1.1	1.1	1.9	1.4
COSMOTE GLOBAL SOLUTIONS N.V.	0.1	0.4	0.1	1.9
OTE ESTATE	1.4	2.7	2.6	0.5
OTE GLOBE	-	-	2.4	12.4
OTE ACADEMY	0.1	0.8	0.1	0.8
OTE RURAL NORTH	0.5	0.3	0.9	-
OTE RURAL SOUTH	0.7	1.4	1.2	-
DEUTSCHE TELEKOM group of companies (except for OTE Group)	2.8	136.3	1.8	3.2
TOTAL	47.8	306.6	75.0	205.1

Amounts owed by OTE to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 129.9 as of June 30, 2023 (December 31, 2022: Euro nil).

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

	Lease liabilities OTE	
	30/06/2023	31/12/2022
OTE ESTATE	115.7	121.4
COSMOTE Group - Greece	0.4	6.0
OTE RURAL NORTH	0.9	0.5
OTE RURAL SOUTH	1.9	0.9
DEUTSCHE TELEKOM group of companies (except for OTE Group)	0.9	-
TOTAL	119.8	128.8

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:

	30/06/2023		31/12/2022	
	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)	6.5	557.5	5.7	503.1
TOTAL	6.5	557.5	5.7	503.1

Amounts owed by the Group to DEUTSCHE TELEKOM group of companies (except for OTE Group) include dividend payable amounting to Euro 129.9 as of June 30, 2022 (December 31, 2022: Euro nil).

Amounts owed by Group to DEUTSCHE TELEKOM group of companies (except for OTE Group) as of June 30, 2023 include an amount of Euro 380.0 (nominal amount) related to Notes issued by OTE PLC (Note 7) and subscribed partially or in full by DEUTSCHE TELEKOM AG (December 31, 2022: Euro 450.0 nominal amount). Interest expenses for the above Notes for the first half of 2023 amount to Euro 1.7 (first half of 2022: Euro 1.2).

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

	30/06/2023		31/12/2022	
	Amounts owed to OTE	Amounts owed by OTE	Amounts owed to OTE	Amounts owed by OTE
OTE PLC	-	892.6	-	795.8
OTE RURAL NORTH	6.0	-	6.1	-
UltrafastOTE	41.1	-	-	-
OTE RURAL SOUTH	4.0	-	4.0	-
TOTAL	51.1	892.6	10.1	795.8

Amounts owed by OTE to OTE PLC relating to loans include interest payable amounting to Euro 3.8 (December 31, 2022: Euro 2.4).

Amounts owed to OTE by OTE RURAL NORTH, OTE RURAL SOUTH and UltrafastOTE relating to loans include interest receivable amounting to Euro 0.1 as of June 30, 2023 (December 31, 2022: Euro 0.1).

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

Fees to the members of the Board of Directors and OTE's key management personnel amounted to Euro 5.2 for the first half of 2023 (first half of 2022: Euro 5.3).

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, 2022.

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:

GROUP	Carrying Amount		Fair value	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Financial Assets				
Trade receivables	509.6	471.2	509.6	471.2
Loans to pension funds	69.8	71.8	79.9	81.4
Loans and advances to employees	29.5	29.4	29.5	29.4
Guarantees	7.7	7.6	7.7	7.6
Restricted cash	1.9	1.8	1.9	1.8
Cash and cash equivalents	821.1	590.1	821.1	590.1
Financial Liabilities				
Long-term borrowings	870.4	881.5	779.6	784.9
Short-term borrowings	80.0	150.0	80.0	148.8
Short-term portion of long-term borrowings	23.1	23.1	22.9	23.0
Lease liabilities	235.2	258.2	235.2	258.2
Trade accounts payable	874.8	874.0	874.8	874.0
Interest payable	5.4	4.5	5.4	4.5
Financial liabilities related to wallets	3.0	4.0	3.0	4.0
Liability for TV broadcasting rights (long-term)	10.6	27.0	10.6	27.0

COMPANY	Carrying Amount		Fair value	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Financial Assets				
Trade receivables	349.0	296.3	349.0	296.3
Loans to pension funds	69.8	71.8	79.9	81.4
Loans and advances to employees	7.3	7.1	7.3	7.1
Guarantees	0.5	0.3	0.5	0.3
Other receivables from related parties	7.5	7.9	7.5	7.9
Loans to group companies	51.0	10.0	42.2	9.4
Cash and cash equivalents	440.7	163.7	440.7	163.7
Financial Liabilities				
Long-term borrowings	847.3	846.9	757.4	751.2
Short-term borrowings	191.5	40.0	191.7	39.7
Short-term portion of long-term borrowings	-	56.5	-	55.9
Lease liabilities	153.7	137.9	153.7	137.9
Trade accounts payable	572.0	489.5	572.0	489.5
Interest payable	5.0	3.6	5.0	3.6
Liability for TV broadcasting rights (long-term)	10.6	27.0	10.6	27.0

The fair values of loans to pension funds, loans to group companies, long-term borrowings and short-term borrowings are based on either quoted (unadjusted) prices or on discounted cash flows 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, 2023, the Group and the Company held the following financial instruments measured at fair value:

GROUP	Fair value		Fair value hierarchy
	30/06/2023	31/12/2022	
Financial Assets			
Investments in mutual funds	5.4	4.7	Level 1
Investments in mutual funds	0.1	0.1	Level 3
Investment in mutual fund (long-term)	1.1	0.5	Level 3

COMPANY	Fair value		Fair value hierarchy
	30/06/2023	31/12/2022	
Financial Assets			
Investments in mutual funds	3.2	2.8	Level 1
Investment in mutual fund (long-term)	1.1	0.5	Level 3

FINANCIAL RISK MANAGEMENT

Macroeconomic conditions in Greece

Currently prevailing economic risks arising globally, as a result of sharply rising interest rates, energy market turbulence driving upwards prices for raw materials, as well as severe geopolitical tensions have negatively affected macroeconomic conditions globally, including Greece.

Management continually assesses the possible impact of any changes in the macroeconomic and financial environment in Greece taking into consideration global economic developments, so as to ensure that all necessary measures are taken in order to minimize any impact on the Group's Greek operations. Rising inflation and increased energy prices have affected Group's financial and operational performance. Management is closely monitoring macroeconomic developments and financial outlook in order to mitigate uncertainties and risks.

Based on its current assessment, it has concluded that no additional impairment provisions are required with respect to the Group's financial and non-financial assets as of June 30, 2023.

Financial Risks

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

a) Credit risk

Credit risk is the risk of financial loss to the 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. 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.

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 as at June 30, 2023 amount to Euro 821.1 and Euro 440.7, respectively and their short-term borrowings and their short-term portion of long-term borrowings amount to Euro 103.1 and Euro 191.5, 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 and the Company have no floating interest-rates borrowings, thus they are not sensitive to potential changes in interest rates on loans.

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 and Company level. Net debt includes interest bearing loans and notes, long-term and short-term lease liabilities as well as other financial liabilities, less cash and cash equivalents.

GROUP	30/06/2023	31/12/2022
Long-term borrowings	870.4	881.5
Short-term borrowings	80.0	150.0
Short-term portion of long-term borrowings	23.1	23.1
Lease liabilities (long-term portion)	171.7	182.1
Lease liabilities (short-term portion)	63.5	76.1
Financial liabilities related to wallets	3.0	4.0
Cash and cash equivalents	(821.1)	(590.1)
Net debt	390.6	726.7
Total equity	1,784.3	1,848.9
Gearing ratio	0.22x	0.39x

COMPANY	30/06/2023	31/12/2022
Long-term borrowings	847.3	846.9
Short-term borrowings	191.5	40.0
Short-term portion of long-term borrowings	-	56.5
Lease liabilities (long-term portion)	116.6	103.7
Lease liabilities (short-term portion)	37.1	34.2
Cash and cash equivalents	(440.7)	(163.7)
Net debt	751.8	917.6
Total equity	3,073.2	3,228.3
Gearing ratio	0.24x	0.28x

17. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant events after June 30, 2023, are as follows:

OTE

Share Buyback Program

From July 1, 2023 until August 1, 2023, within the framework of the Share Repurchase Program approved by the General Meeting of Shareholders on January 18, 2022, OTE had acquired 1,762,956 own shares for a total value of Euro 25.9.

Cancellation of Own Shares

The Ordinary General Meeting of Shareholders of June 7, 2023 approved the cancellation of 7,417,049 treasury shares, acquired during the period from October 3, 2022 to April 30, 2023, together with the corresponding reduction in the Company's share capital of Euro 21.0.

Following notification to the Corporate Actions Committee of the Athens Stock Exchange and the completion of other legal and regulatory procedures, the aforementioned 7,417,049 shares were cancelled and delisted from the Athens Stock Exchange effective from July 18, 2023.

Merger through absorption of COSMOTE

On July 13, 2023, the Board of Directors of OTE and COSMOTE decided the initiation of the merger procedure by absorption of OTE's wholly owned subsidiary, COSMOTE. The process is expected to be completed in January 2024.

The completion of the procedure is subject to the required final approvals by the Board of Directors of the merging companies, and the registration in the General Commercial Registry (Γ.Ε.ΜΗ.) of the relevant approval decision of the competent body of the Ministry of Development.

COSMOTE

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

On July 24, 2023, COSMOTE paid principal installment of Euro 11.5 under the term loan with EIB.