

OTE INSURANCE AGENCY S.A.



ANNUAL FINANCIAL REPORT

**For the period from
January 1, 2022 to December 31, 2022**

**Translated copy of the original Annual Financial Report which are presented in Greek.
For any possible discrepancies the Greek version prevails.**

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I. ANNUAL REPORT OF THE BOARD OF DIRECTORS

REPORT OF THE BOARD OF DIRECTORS ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

This report of the Board of Directors of OTE INSURANCE AGENCY S.A. (hereinafter referred to as “OTE INSURANCE” or the “Company”) refers to the Financial Statements of the Company as of December 31, 2022 and for the year then ended, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

A. GENERAL

The insurance market in 2022

The Hellenic Association of Insurance Companies recently published comparative data for the entire insurance market’s performance in 2022 compared to 2021, showing an increase of approximately 4.2%, whereas OTE INSURANCE recorded a revenue increase of around 15% during the same period. Life insurance saw a growth of about 2.4%, and non-life (general) insurance increased by approximately 6.1%. Correspondingly, the Company’s revenue growth in the life insurance sector was 11%, and in commercial insurance it reached nearly 100%. The fire insurance sector showed an increase of about 20%. The motor insurance sector, which is not a strategic focus for the Company, experienced a 4% decline in our existing business but increased by 2% through COSMOTE Insurance, as anticipated, supporting the strategic choice of the OTE Group. No significant cancellation rates were observed in the renewable business.

At the beginning of 2022, the acquisition agreement for the insurance company “EUROPAIKI PISTI A.E.G.A.” by the international German insurance group Allianz was announced, signaling international interest in the Greek insurance market, following similar moves announced the previous year with the withdrawal of the French Axa and the American MetLife, and the strengthening of positions by the Italian Generali and the Dutch NN, respectively. Certainly, Allianz’s move is a serious and noteworthy expression of confidence in the prospects of the Greek insurance market, as the investment exceeded Euro 200 million.

Also, during 2022, rapid progress was made in all necessary actions leading to the mergers of Axa with Generali and MetLife with NN, respectively.

The transfer of shares of ETHNIKIS ASFALISTIKIS A.E.G.A. to the CVC Fund was completed, along with the assumption of responsibility by the new CEO at the management team level.

In the motor insurance sector, companies operating under the Freedom to Provide Services (FPS) regime increased their market share by approximately 2%, reaching about 20% of the total market.

In the insurance intermediation sector, throughout 2022, there was significant consolidation and cooperation activity among insurance intermediaries. This, as with insurance companies, indicates trends of concentration justified by the greatly increased regulatory obligations, higher operating costs, and the increased responsibilities these entail. These trends are further intensified by the statistical fact of the “ageing” population of insurance intermediaries and the lack of successors.

The current strategy of OTE INSURANCE

OTE INSURANCE continued to work persistently and with dedication on the key pillars it has adopted in recent years, focusing on further expanding its activities in life, health, pension, property, liability, and business insurance. This has further strengthened the Company’s presence in the broader business environment and reinforced its profile as an experienced, capable, and reliable partner able to offer ideal insurance solutions for every level of business activity and operation. The gradual return to the pre-COVID-19 era, combined with increased national revenue from tourism, investments, and European programmes, sets the “pace” guiding corporate decisions on focus and growth. The retention and development of human resources with experience, certifications, and high specialization, along with a reasonable number of partners and insurance agents who engage in face-to-face contact and provide personalized support and service to clients and prospective clients, constitute the main “core” of the Company’s strategy formulation and implementation for growth.

B. SIGNIFICANT EVENTS OF THE 2022 FINANCIAL YEAR

The Company’s activities in 2022 were characterized by the following events:

In 2022, the Company was called upon to provide advisory support as well as technical evaluation for the decision of the OTE Group’s Management regarding a new group insurance scheme for employees, which was updated to better respond to the Group’s and market’s modern operational, functional, and objective conditions. Additionally, through a tender issued by the Ministry of Digital Governance, the Group competed for and secured one of the country’s largest technical projects under a Public-Private Partnership (PPP) for Ultra Fast Broadband, lasting 26 years and valued at Euro 130 million. OTE INSURANCE was tasked with providing coverage meeting the tender specifications and successfully contributed to the completion of this important project for the OTE Group.

An insurance agency with an excellent reputation, significant business volume, and continuous operation for over 40 years joined our network of insurance agents. The insurance agency “ASFALIEIS SPILIOPOULOU I.K.E.” agreed to cooperate and gradually transfer its business volume to the Company. Furthermore, recognizing the opportunity to focus on new insurance lines, an executive of OTE INSURANCE obtained an International Certification in Cyber Insurance, acknowledging that this provides the Company with a competitive advantage in the corporate insurance market in particular.

All employees and partners of the Company were re-certified in insurance knowledge as required by the Supervisory Authority. Additionally, training activities were conducted on topics related to Regulatory Compliance and Financial Compliance. Finally, for yet another year, OTE INSURANCE participated actively in the National Customer Service Week organized by the National Customer Service Institute, of which the Company has been a member for many years.

C. FINANCIAL HIGHLIGHTS OF 2022

The Company's financial figures for the year 2022 based on IFRS have been as follows:

- The revenue showed an increase of 15.0% compared to 2021, amounting to Euro 1,786,483 versus Euro 1,552,986.
- The year 2022 ended with profitability for the Company. Profit before tax amounts to Euro 553,702 compared to Euro 422,216 in 2021, while the "Operating profit before financial and investment activities, depreciation and impairments" amounted to Euro 602,156 compared to Euro 476,007 in 2021.

The following table shows the development of the most important financial ratios:

	2022	2021
Current assets/Current liabilities	6.66	5.84
Equity/ Total assets	0.80	0.74

D. STRATEGY - OUTLOOK FOR 2023

The long-term strategy chosen by the Company aligns with and supports the shareholder's guiding principles, focusing on the further development of personal insurance in the areas of life, health, savings, property, liability, as well as business insurance. The greater emphasis on these lines of business, which have recorded a successful growth rate in recent years, appears to be the correct approach that can meet even the most specific conditions and requirements.

The year 2023, being a year of national and local elections, may cause minor delays in decision-making at both microeconomic and macroeconomic levels. However, due to the positive sentiment stemming from the health “front” and especially the tourist flow, which is expected to be significantly increased as a result of the pandemic's recession, it is estimated that this will ultimately produce a “positive” outcome both in results and in the Company's development prospects.

OTE INSURANCE focuses on its experience in managing complex and particularly demanding technical risks, mainly due to its long-standing support of the OTE Group and beyond. This is an element that few other comparable organizations currently possess in the market. By supporting clients and suppliers involved in technical or technological projects, the Company has the capability to provide reliable and responsible solutions with documentation and comprehensive risk management, both in an advisory capacity and through competitive and fully functional insurance solutions.

It is also worth noting that advisory support is already being provided at an initial acquaintance level free of charge to clients and prospective clients, with the prospect that this could soon become an additional source of revenue through the sale of consulting services.

At the same time, the Company will continue to work on developing coverage on an individual or family basis, with an emphasis on supplementary policies to group insurance, especially now that the new group programme of the Group is already fully operational.

Finally, the selective development of new partnerships with experienced and reputable insurance agents will remain a key concern for the Company, as in a particularly fluid environment, it can guarantee processes and developed expertise that will support them and, through such partnerships, create mutual benefit.

E. NON-FINANCIAL REPORT

Sustainable development

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

Sustainability is an integral part of the business strategy of OTE Group and the Company and its principles are integrated into their operations.

Employees

The Company follows the relevant policy of the OTE Group, providing a sustainable and technologically advanced working environment for its people. It cultivates a culture of development, encourages and pursues diversity, recognizes high performance, and offers unlimited opportunities for growth and training. At the same time, it places special emphasis on issues concerning the safety, health, and well-being of its people, activating rapidly, whenever necessary, mechanisms to address all types of disruption (such as the COVID-19 pandemic), creating a safe working environment for the benefit of customers and society.

The number of employees of the Company as of December 31, 2022 was 15 (December 31, 2021: 15).

The male-to-female ratio of the Company's personnel for the year 2022 was 40% (2021: 47%).

G. 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 potential impact on the Company's Greek operations. Rising inflation and increased energy prices have affected Company'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 Company's financial and non-financial assets as of December 31, 2022.

Risk from the Russian invasion of Ukraine

The Company has no operational exposure in Ukraine and Russia. However, the geopolitical uncertainty has resulted in higher inflation and increased volatility in the energy market affecting the general economic environment, which is likely to continue. Furthermore, there is an increased risk from the disruption in the global supply chain.

Risk from the coronavirus (COVID-19)

The pandemic continues to have implications for the global economy and for society. Although the pandemic has only had a limited negative impact on the telecommunications sector so far, if the global pandemic were to re-escalate, it could lead to prolonged and increased supply-side shortages. Based on experience so far, management expects the coronavirus pandemic to only impact Group business to a limited extent going forward.

Financial risks

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

(A) Credit risk

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

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

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Company. The Company assesses the credit risk following the established policies and procedures and recognizes the appropriate provision for impairment.

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

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

Impairment of financial assets

The Company's trade receivables are subject to the expected credit loss model.

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

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

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

Simplified approach				
December 31, 2022	Performing	Underperforming	Non-performing	Total
Trade receivables	424,357	2,943	154	427,454
Total	424,357	2,943	154	427,454

Simplified approach				
December 31, 2021	Performing	Underperforming	Non-performing	Total
Trade receivables	407,897	-	-	407,897
Total	407,897	-	-	407,897

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

The split of trade receivables within the above categories and the determination of whether there has been an increase in credit risk is assessed based on Company's best estimates taking into account its specific facts and circumstances.

(B) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company retains sufficient liquidity in order to cover its financial obligations.

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

The analysis of the undiscounted contractual payments of the financial liabilities of the Company is as follows:

December 31, 2022	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Lease liabilities	34,775	32,940	46,622	-	114,337
Trade accounts payable	149,816	-	-	-	149,816
TOTAL	184,591	32,940	46,622	-	264,153

December 31, 2021	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Lease liabilities	30,345	27,944	60,160	-	118,449
Trade accounts payable	136,444	-	-	-	136,444
TOTAL	166,789	27,944	60,160	-	254,893

(C) Market risk

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

The Company does not have financial assets and fixed-interest liabilities measured at fair value through other comprehensive income, nor derivatives (interest rate swap contracts) designated as hedging instruments in a fair value hedge accounting model. Therefore, a change in interest rates at the balance sheet date would not affect the statement of comprehensive income due to fair value changes.

EVENTS AFTER THE FINANCIAL POSITION DATE

There are no significant events to disclose after December 31, 2022.

Athens, July 19, 2023

The Chairman of the Board

Member of the Board

Aristodimos Dimitriadis

Fotios Poulis

II. AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

TRANSLATION FROM THE ORIGINAL IN GREEK LANGUAGE

Independent Auditor's Report

To the Shareholders of the Company "OTE INSURANCE AGENCY S.A."

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of "OTE INSURANCE AGENCY S.A." ("the Company"), which comprise the statement of financial position as at December 31, 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company "OTE INSURANCE AGENCY S.A.", as of December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis of Opinion

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

Other matter

The financial statements of the company for the year ended December 31, 2021 were audited by another auditor who issued an unmodified auditor's report dated June 16, 2022.

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements currently in force of the article 150 of Law 4548/2018 and its content is in line with the accompanying financial statements for the year ended December 31, 2022.
- b) Based on the knowledge we obtained during our audit about the "OTE INSURANCE AGENCY S.A." and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

Athens, 20 July 2023

The Certified Public Accountant

Nikolaos Martaras

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III. ANNUAL FINANCIAL STATEMENTS

OTE INSURANCE AGENCY S.A.



ANNUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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

The Annual Financial Statements presented on pages from 15 to 38 were approved by the Board of Directors on July 19, 2023 and are signed by:

Chairman of BoD

Board Member

Accounting Director

Aristodimos Dimitriadis

Fotios Poulis

Anastasios Kopenis

STATEMENT OF FINANCIAL POSITION

(Amounts in Euro)	Notes	2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	21,271	28,978
Right-of-use assets	5	102,428	106,661
Intangible assets	6	-	342
Investments	8	1,800	1,800
Other non-current assets	9	2,860	2,860
Total non-current assets		128,359	140,641
Current assets			
Trade receivables	7	427,454	407,897
Other current assets	11	21,061	33,039
Cash and cash equivalents	12	1,404,696	967,766
Total current assets		1,853,211	1,408,702
TOTAL ASSETS		1,981,570	1,549,343
EQUITY AND LIABILITIES			
Equity			
Share capital	13	86,000	86,000
Statutory reserve	13	28,666	28,666
Other reserves	13	12,120	(12,792)
Retained earnings		1,451,539	1,047,528
Total equity		1,578,325	1,149,402
Non-current liabilities			
Provision for staff retirement indemnities	14	49,110	74,511
Deferred tax liabilities	15	574	807
Lease liabilities	5	75,370	83,430
Total non-current liabilities		125,054	158,748
Current liabilities			
Trade accounts payable	16	149,816	136,444
Income tax payable	15	55,903	38,449
Lease liabilities	5	30,719	26,931
Other current liabilities	17	41,753	39,369
Total current liabilities		278,191	241,193
TOTAL EQUITY AND LIABILITIES		1,981,570	1,549,343

INCOME STATEMENT

(Amounts in Euro)	Notes	2022	2021
Revenues		1,786,483	1,552,986
Other operating income		1,829	1,458
Operating expenses			
Personnel costs		(341,743)	(294,227)
Commission costs		(401,784)	(337,330)
Other operating expenses, out of which:		(442,629)	(446,880)
<i>Facility and other lease related costs</i>		(15,794)	(8,061)
<i>Third party fees and services</i>		(179,063)	(206,881)
<i>Third party benefits</i>		(62,740)	(59,369)
<i>Other taxes and duties</i>		(63,845)	(65,680)
<i>Other sundry operating expenses</i>		(121,187)	(106,889)
Total operating expenses before depreciation, amortization and impairment		(1,186,156)	(1,078,437)
Operating profit before financial and investing activities, depreciation, amortization and impairment		602,156	476,007
Depreciation, amortization and impairment	4, 5, 6	(40,916)	(45,722)
Operating profit before financial and investing activities		561,240	430,285
Income and expenses from financial and investing activities			
Interest expense		(8,347)	(8,161)
Interest income		887	92
Foreign exchange differences, net		(78)	-
Total loss from financial and investing activities		(7,538)	(8,069)
Profit before tax		553,702	422,216
Income tax	15	(149,691)	(120,346)
Profit for the year		404,011	301,870

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euro)	Notes	2022	2021
Profit for the year		404,011	301,870
Actuarial gains / (losses)	14	31,939	(2,905)
Deferred taxes on actuarial gains / (losses)	15	(7,027)	639
Deferred taxes on actuarial gains / (losses) due to change in tax rate		-	(270)
Total items that will not be reclassified subsequently to profit or loss		24,912	(2,536)
Other comprehensive income / (loss)		24,912	(2,536)
Total comprehensive income for the year		428,923	299,334

STATEMENT OF CHANGES IN EQUITY

(Amounts in Euro)	Share capital	Statutory reserve	Other reserves	Retained Earnings	Total
Balance as at January 1, 2021	86,000	28,666	(10,256)	1,295,658	1,400,068
Profit for the year	-	-	-	301,870	301,870
Other comprehensive income / (loss)	-	-	(2,536)	-	(2,536)
Total comprehensive income	-	-	(2,536)	301,870	299,334
Dividend distribution	-	-	-	(550,000)	(550,000)
Balance as at December 31, 2021	86,000	28,666	(12,792)	1,047,528	1,149,402
Balance as at January 1, 2022	86,000	28,666	(12,792)	1,047,528	1,149,402
Profit for the year	-	-	-	404,011	404,011
Other comprehensive income	-	-	24,912	-	24,912
Total comprehensive income	-	-	24,912	404,011	428,923
Balance as at December 31, 2022	86,000	28,666	12,120	1,451,539	1,578,325

STATEMENT OF CASH FLOWS

(Amounts in Euro)	Notes	2022	2021
Cash flows from operating activities			
Profit before tax		553,702	422,216
Adjustments for:			
Depreciation, amortization and impairment	4, 5, 6	40,916	45,722
Provision for staff retirement indemnities	14	5,532	4,400
Interest expense		8,347	8,161
Interest income		(887)	(92)
Foreign exchange differences, net		78	-
Working capital adjustments:			
(Increase) / decrease in receivables		(7,580)	54,237
Increase in liabilities		15,206	6,128
Plus / (minus):			
Interest paid for leases	5	(3,630)	(4,446)
Interest expense paid		(3,711)	(2,826)
Income tax paid	15	(139,497)	(89,541)
Net cash flows from operating activities		468,476	443,959
Cash flows from investing activities			
Purchase and disposal of property, plant and equipment and intangible assets	4	(1,285)	(4,738)
Acquisition of investment		-	(1,800)
Interest received		887	92
Net cash flows used in investing activities		(398)	(6,446)
Cash flows from financing activities			
Dividends paid		-	(550,000)
Lease repayments	5	(31,148)	(30,623)
Net cash flows used in financing activities		(31,148)	(580,623)
Net increase / (decrease) in cash and cash equivalents		436,930	(143,110)
Cash and cash equivalents at the beginning of the year		967,766	1,110,876
Cash and cash equivalents at the end of the year	12	1,404,696	967,766

1. CORPORATE INFORMATION

OTE INSURANCE AGENCY S.A. with the distinctive title OTE ASFALISI INSURANCE AGENT (hereinafter referred to as the “Company” or “OTE INSURANCE”) was incorporated in November 1997 with its registered office in Athens. The Company is listed in the Greek General Commercial Registry (Γ.Ε.Μ.Η.) with the unique number 002753801000.

According to article 4 of the Company's articles of association, its purpose is generally the undertaking, by contract and for a commission, of insurance activities within the Greek Territory, as well as abroad, in the name and on behalf of one or more insurance companies.

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

The financial statements have been approved for issuance by the Company's Board of Directors on July 19, 2023 and are subject to the final approval of the Annual General Assembly of the Shareholders.

2. BASIS OF PREPARATION

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

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

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

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

2.1 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities included in the financial statements. On an ongoing basis, management evaluates its estimates and judgements, including mainly those related to legal contingencies, the estimated useful life of assets, impairment of property, plant and equipment and intangible assets, provision for staff retirement indemnities and income taxes. Those estimates and judgements are based on historical experience and on various other assumptions that are considered reasonable and form the basis for making decisions about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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

Provision for income tax

The provision for income taxes in accordance with IAS 12 “Income taxes”, are the amounts expected to be paid to the taxation authorities and includes provision for current income taxes reported and the potential additional tax that may be imposed as a result of audits by the taxation authorities. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdiction in which the Company operates, or unpredicted results from the final determination of each year's liability by tax authorities. These changes could have a significant impact on the Company's financial position. Where the actual additional taxes payable are different from the amounts that were initially recorded, these differences will impact the income tax and deferred tax provisions in the period in which such a determination is made. Further details are provided in Note 15.

Deferred tax assets

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

estimate related to deferred tax assets requires management to make assumptions regarding the timing of future events, including the probability of expected future taxable income and available tax planning opportunities. Further details are provided in Note 15.

Provision for expected credit losses of trade receivables

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

The Company establishes allowance for expected credit losses sufficient to cover reasonably estimable loss for these accounts. At each reporting date all accounts receivable are assessed based on historical trends, statistical information, future expectations regarding suspended or cancelled customers, reactivation rates for suspended or cancelled customers and collection rates for amounts due from cancelled customers. Receivables are examined and assessed on an individual basis. The balance of such allowance for expected credit losses is adjusted by recording a charge to the income statement of the reporting period. Any amount written off with respect to customer account balances is charged against the existing allowance for expected credit losses.

Post retirement benefits

Staff Retirement Indemnities obligations are calculated at the discounted present value of the future retirement benefits deemed to have accrued at year-end. Retirement obligations are calculated on the basis of financial and actuarial assumptions that require management to make assumptions regarding discount rates, pay increases, withdrawal rates, mortality and disability rates, retirement ages and other factors. Changes in these key assumptions can have a significant impact on the obligation and pension costs for the period. Net pension costs for the period consist of the present value of benefits earned in the year, interest costs on the benefits obligation, prior service costs and actuarial gains or losses. The Staff Retirement Indemnities are not funded. Due to the long term nature of these defined benefit plans these assumptions are subject to a significant degree of uncertainty. Further details are provided in Note 14.

Estimating the useful life of assets

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

Contingent liabilities

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

Impairment of property, plant and equipment

The determination of impairment of property, plant and equipment involves the use of estimates that include, but are not limited to, the cause, timing and amount of the impairment. Impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the industry, increased cost of capital, the future availability of financing, technological obsolescence, discontinuance of services, current replacement costs, prices paid in comparable transactions and other changes in circumstances that indicate an impairment exists. The recoverable amount is typically determined using a discounted cash flow method. The identification of impairment indicators, as well as the estimation of future cash flows and the determination of fair values for assets (or groups of assets) require management to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

Determining the lease term of contracts with renewal and termination options – Accounting by lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. In cases that the Company has certain lease contracts that include extension and termination options and the Company applies judgement in evaluating whether it is reasonably certain to exercise or not to exercise the option to renew or terminate the lease. For this purpose, all relevant factors that create an economic incentive to exercise either the renewal or termination are considered. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that are within its control and affect its ability to exercise or not to exercise the option to renew or to terminate a lease (e.g. construction of significant leasehold improvements or significant customization to the leased asset, ability to replace the leased assets without significant cost or business disruption). Additional details are provided in Note 5.

Leases - Estimating the incremental borrowing rate

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

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

2.2. New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after January 1, 2022.

Standards and interpretations mandatory for the current financial year

IAS 16 (Amendment) "Property, plant and equipment – Proceeds before intended use": The amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities.

IAS 37 (Amendment) "Onerous contracts – Cost of fulfilling a contract": The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

IFRS 3 (Amendment) "Reference to the Conceptual Framework": The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognize contingent assets, as defined in IAS 37, at the acquisition date.

IFRS 16 (Amendment) "Covid-19-Related rent concessions": The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before June 30, 2022.

Annual improvements to IFRS Standards 2018–2020:

IFRS 9 "Financial instruments": The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

IFRS 16 "Leases": The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

Standards and Interpretations effective for subsequent periods

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

IAS 1 (Amendments) “Presentation of Financial Statements” and IFRS Practice Statement 2 “Disclosure of Accounting policies” (effective for annual periods beginning on or after January 1, 2023): The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures.

IAS 8 (Amendments) “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates” (effective for annual periods beginning on or after January 1, 2023): The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

IAS 12 (Amendments) “Deferred tax related to Assets and Liabilities arising from a Single Transaction” (effective for annual periods beginning on or after January 1, 2023): The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations.

IFRS 17 “Insurance contracts” and Amendments to IFRS 17 (effective for annual periods beginning on or after January 1, 2023): IFRS 17 has been issued in May 2017 and, along with the amendments to IFRS 17 issued in June 2020, supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost.

IFRS 17 (Amendment) “Initial Application of IFRS 17 and IFRS 9 – Comparative Information” (effective for annual periods beginning on or after January 1, 2023): 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 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.

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.

IAS 12 (Amendments) “Income Taxes” (effective for annual periods beginning on or after January 1, 2023): The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would

neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies adopted and followed in the preparation of the financial statements are as follows:

3.1 Foreign Currency Translation

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

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

3.2. Intangible Assets

Intangible assets acquired separately are initially recognized at cost. Subsequently, they are carried at cost less accumulated amortization and accumulated impairment losses. All intangible assets have a finite useful life and are amortized on a straight-line basis over their useful life. The useful life of intangible assets is reviewed on an annual basis, and adjustments, where applicable, are made prospectively. The main category of intangible assets is software licenses. Their useful life is between 3 and 5 years.

3.3. Property, Plant and Equipment

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and any impairment in value.

Repairs and maintenance costs are expensed as incurred. The cost and related accumulated depreciation of assets retired or sold are removed from the corresponding accounts at the time of sale or retirement, and any gain or loss is recognized in the income statement.

When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation.

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

	Depreciation rates	Estimated useful life
Leasehold improvements	10%	10
Furniture and fixtures	10-33%	3-10

3.4. Impairment of Non-Financial Assets

The carrying values of the Company’s non-financial assets are tested for impairment, when there are indications that their carrying amount is not recoverable. In such cases, the recoverable amount is estimated and if the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In measuring value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money

and the risks specific to that asset. If an asset does not generate cash flows individually, the recoverable amount is determined for the cash generating unit to which the asset belongs. At each reporting date the Company assesses whether there is an indication that an impairment loss recognized in prior periods may no longer exist. If any such indication exists, the Company estimates the recoverable amount of that asset and the impairment loss is reversed, increasing the carrying amount of the asset to its recoverable amount, to the extent that the recoverable amount does not exceed the carrying value of the asset that would have been determined (net of amortization or depreciation), if no impairment loss had been recognized for the asset in prior years.

3.5. Financial Instruments

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

Initial recognition and subsequent measurement of financial assets

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

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

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

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

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

The Company holds no assets at fair value through other comprehensive income as of December 31, 2022.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the income statement.

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

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

Initial recognition and subsequent measurement of financial liabilities

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

Derecognition of financial liabilities

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

Offsetting of financial assets and liabilities

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

3.6. Trade Receivables and Allowance for Expected Credit Losses

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

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

3.7. Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand and short-term bank deposits with a maturity of up to three months at initial recognition.

3.8. Current and Deferred Income Tax

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

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

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

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

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

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

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

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

3.9. Share Capital

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

3.10. Leases

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

Accounting by lessee

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

i. Right-of-use assets

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

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

The Company has lease contracts for buildings and vehicles used in its operations. The lease contracts may contain both lease and non-lease components. The Company has elected not to separate non-lease components from lease components, and instead to account for each lease component and any associated non-lease components as a single combined lease component.

The right-of-use assets are also subject to impairment, as described in the accounting policy '3.4. Impairment of Non-Financial Assets'.

ii. Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual

value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the Group OTE's incremental borrowing rate because the interest rate implicit in the lease is not readily determinable.

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

Accounting by lessor

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

A lease that transfers substantially all of the risks and rewards incidental to ownership of the leased item is classified as finance lease.

The lessor in a finance lease derecognizes the leased asset and recognizes a receivable in the amount of the net investment in the lease. The lease receivable is discounted using the effective interest method and the carrying amount is adjusted accordingly. Lease receivable is increased to reflect the accretion of interest and reduced through the lease proceeds made.

3.11. Provisions

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

3.12. Trade Payables

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

3.13. Employee Benefits

Defined contribution plans

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

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. These obligations are calculated annually by independent actuaries using the Projected Unit Credit Method. The discount rate used is the yield of high quality European corporate bonds with maturity that approximates the term of the related obligation.

The current service cost of the defined benefit plan, recognized in the income statement in personnel costs, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the income statement. Actuarial gains or losses are recognized directly in other comprehensive income in the period in which they occur and are not reclassified to income statement in a subsequent period.

Termination benefits

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

3.14. Revenue from Contracts with Customers

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

Revenue recognition is as follows:

Provision of services

Commission revenue from the intermediation of insurance contract issuance is recognized at the inception of the insurance contract.

Revenue from the provision of insurance consulting services is recognized in the period in which the services are rendered, taking into account the stage of completion of the service provided.

In accordance with IFRS 15, service revenue is recognized in the period in which the services are provided, as the customer simultaneously receives and consumes the benefits from the service provided by the Company.

3.15. Interest income

Interest income is recognized on an accrual basis using the effective interest rate.

3.16. Dividend distribution

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

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is analyzed as follows:

	Leasehold improvements	Furniture and fixtures	Total
COST			
Balance January 1, 2021	71,400	169,857	241,257
Additions	-	4,738	4,738
Balance December 31, 2021	71,400	174,595	245,995
ACCUMULATED DEPRECIATION			
Balance January 1, 2021	(50,614)	(154,118)	(204,732)
Depreciation charge for the year	(2,857)	(9,428)	(12,285)
Balance December 31, 2021	(53,471)	(163,546)	(217,017)
Net book value December 31, 2021	17,929	11,049	28,978

COST			
Balance January 1, 2022	71,400	174,595	245,995
Additions	-	1,285	1,285
Balance December 31, 2022	71,400	175,880	247,280

ACCUMULATED DEPRECIATION			
Balance January 1, 2022	(53,471)	(163,546)	(217,017)
Depreciation charge for the year	(2,856)	(6,136)	(8,992)
Balance December 31, 2022	(56,327)	(169,682)	(226,009)
Net book value December 31, 2022	15,073	6,198	21,271

There are no restrictions on title on property, plant and equipment and there is no significant indication for impairment in the value of property, plant and equipment.

5. LEASES

Right-of-use assets are analyzed as follows:

	Buildings	Transportation	Total
<u>1/1/2021</u>			
Net book value 1/1/2021	118,393	17,059	135,452
Additions	-	3,054	3,054
Depreciation charge for the year	(22,724)	(9,121)	(31,845)
Net book Value 31/12/2021	95,669	10,992	106,661

<u>31/12/2021</u>			
Cost	164,593	40,039	204,632
Accumulated depreciation	(68,924)	(29,047)	(97,971)
Net Book Value 31/12/2021	95,669	10,992	106,661

<u>1/1/2022</u>			
Net book value 1/1/2022	95,669	10,992	106,661
Additions	13,198	26,126	34,023
Reductions - cost	(5,301)	(27,567)	(27,567)
Reductions – accumulated depreciation	-	20,893	20,893
Depreciation charge for the year	(23,165)	(8,417)	(31,582)
Net book value 31/12/2022	80,401	22,027	102,428

<u>31/12/2022</u>			
Cost	172,490	38,598	211,088
Accumulated depreciation	(92,089)	(16,571)	(108,660)
Net book value 31/12/2022	80,401	22,027	102,428

The Company's depreciation includes depreciation charge for the right-of-use assets in relation to lease agreements with related parties amounting to Euro 23,165 (2021: Euro 22,724).

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

	2022	2021
Lease liabilities (long-term portion)	75,370	83,430
Lease liabilities (short term portion)	30,719	26,931
Total lease liabilities	106,089	110,361

The company's long-term and short-term lease liabilities from related parties amount to Euro 59,790 (2021: Euro 76,472) and Euro 24,202 (2021: Euro 22,149) respectively.

The Company's interest expense on lease liabilities amount to Euro 3,630 (2021: Euro 4,446). The Company's interest expense includes interest expense to related parties at an amount of Euro 3,169 (2021: Euro 3,797).

The Company's total cash outflows for leases in 2022 amount to Euro 34,778 (2021: Euro 35,069).

6. INTANGIBLE ASSETS

Intangible assets include software programs and their movement is analyzed as follows:

COST	
Balance January 1, 2021	46,690
Additions	-
Balance December 31, 2021	46,690
ACCUMULATED DEPRECIATION	
Balance January 1, 2021	(44,756)
Depreciation charge for the year	(1,592)
Balance as at December 31, 2021	(46,348)
Net book value December 31, 2021	342
COST	
Balance January 1, 2022	46,690
Additions	-
Balance December 31, 2022	46,690
ACCUMULATED DEPRECIATION	
Balance January 1, 2022	(46,348)
Depreciation charge for the year	(342)
Balance as at December 31, 2022	(46,690)
Net book value December 31, 2022	-

7. TRADE RECEIVABLES

Trade receivables are analyzed as follows:

	2022	2021
Customers	314,077	303,812
Due from related parties (Note 10)	113,377	104,085
Total	427,454	407,897

The aging analysis of trade receivables is as follows:

	2022	2021
Not impaired and not past due	392,187	379,381
Not impaired and past due:		
Up to 180 days	28,570	26,027
Between 181 and 360 days	4,743	1,800
More than 360 days	1,954	689
Total	427,454	407,897

8. INVESTMENTS

The summary data of investments are analyzed as follows:

Name	Type of participation	Ownership interest	2022	2021
			Accounting value	
PANORMOS PARTNERSHIP OF INSURANCE INTERMEDIARIES LLC	Other	4.20%	1,800	1,800

9. OTHER NON-CURRENT ASSETS

Other non-current assets are analyzed as follows:

	2022	2021
Guarantees granted to related parties (Note 10)	2,140	2,140
Guarantees granted	720	720
Total	2,860	2,860

10. RELATED PARTY DISCLOSURES

Company's related parties have been identified based on the requirements of IAS 24 "Related Party Disclosures". OTE S.A. is a 99.90% shareholder in the company and a 100% shareholder in CTS S.A., which is 0.10% shareholder of the company, while Deutsche Telekom AG is 50.9% shareholder of OTE S.A.. Consequently, all the companies of the OTE group, and the Deutsche Telekom group, are considered to be related parties.

The transactions and balances with related companies are analyzed as follows:

	December 31, 2022			
	Revenues	Expenses	Receivables	Liabilities
DETEASSEKURANZ	-	2,582	-	-
OTE	16,800	39,890	3,472	37,813
COSMOTE	301,182	50,920	86,205	7,569
CTS	1,452	-	900	-
COSMOTE TV PRODUCTIONS	968	-	1,200	-
E-value LTD	968	-	1,200	-
OTE ACADEMY	968	-	1,200	-
COSMOTE E-VALUE	4,839	6,633	6,000	1,374
OTE GLOBE	1,935	-	1,200	-
OTESAT MARITEL	1,452	-	5,400	-
GERMANOS	3,871	18,838	4,800	6,247
OTE ESTATE	5,977	3,169	3,940	86,710
Total	340,412	122,032	115,517	139,713

	December 31, 2021			
	Revenues	Expenses	Receivables	Liabilities
DETEASSEKURANZ	-	2,289	-	2,289
OTE	16,800	46,205	3,472	26,920
COSMOTE	274,632	53,900	77,513	10,696
CTS	1,452	-	900	-
COSMO-ONE HELLAS MARKET SITE	968	-	1,200	-
COSMOTE TV PRODUCTIONS	968	-	1,200	-
E-value LTD	968	-	1,200	-
OTE ACADEMY	968	-	1,200	-
COSMOTE E-VALUE	4,839	29,848	6,000	6,821
OTE GLOBE	1,935	-	1,200	-
OTESATMARITEL	1,452	-	3,600	-
GERMANOS	3,871	13,534	4,800	5,491
OTE ESTATE	1,452	3,797	3,940	98,621
Total	310,305	149,573	106,225	150,838

During 2022 the Company has purchased fixed assets from OTE S.A. amounting to Euro Nil (2021: Euro 3,287).

The Company's remuneration for the members of the Board of Directors and Directors amount to Euro 71,313 for 2022 (2021: Euro 67,811).

The company's revenue from related parties include personnel secondment cost amounting to Euro 208,211 for 2022 (2021: Euro 197,676). These amounts are presented in the statement as a reduction from the 'Personnel costs' line.

In the context of the adoption of IFRS 16, in 2022 the Company's expenses from related parties do not include lease expenses amounting to Euro 25,694 (2021: Euro 25,177). Interest on lease liability of the Company amounting to Euro 3,169 (2021: Euro 3,797).

The Company's liabilities to related parties include long-term and short-term leases amounting to Euro 59,790 (2021: Euro 76,472) and Euro 24,202 (2021: Euro 22,149) respectively.

11. OTHER CURRENT ASSETS

Other current assets are analyzed as follows:

	2022	2021
Receivables from other taxes	998	8,178
Loans and advances to employees	12,713	15,608
Other receivables	7,350	9,253
Total	21,061	33,039

12. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are analyzed as follows:

	2022	2021
Short-term bank deposits	1,404,696	967,766
Total	1,404,696	967,766

13. EQUITY

13.1 Share Capital

On December 31, 2022, the Company's share capital amounted to Euro 86,000 divided into 200,000 ordinary nominal shares with nominal value of Euro 0.43 (forty-three cents) each. The shareholders of the Company are OTE S.A. with 199,800 shares and CTS S.A. with 200 shares. In relation to December 31, 2020 there was no movement.

13.2 Statutory Reserve

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

As of December 31, 2022 and 2021, statutory reserve amounts to Euro 28,666.

13.3 Other Reserves

Other reserves amounted to Euro 12,120 as of December 31, 2022 (December 31, 2021: Euro (12,792) include actuarial gains and losses and related deferred tax on these figures.

14. STAFF RETIREMENT INDEMNITIES

In accordance with the Greek labor law, employees are entitled to compensation in the event of dismissal or retirement, the amount of which varies based on the employees' monthly salary in the current month before the dismissal, the duration of the service (including possible recognized by the Company service, in case the recognition concerns indemnity as well) and the way of termination of the employment agreement (dismissed with notification, dismissed without notification or retirement). Furthermore, according to the provision of law 4093/2012 there is a reduction in warning period and in employees' dismissal compensation and there is an extra compensation in case that an employee has worked 17 years and above in the same employer with full occupation in the date of related law publication i.e. on November 12, 2012. It is noted that the extra compensation is calculated on the employee's regular salary until the limit of Euro 2.000. In case of retirement, the payable amount of compensation is equal to 50% of the amount which would be payable upon dismissal without cause and 40% if the employee has an auxiliary social security. In case that an employee has the right to receive an extra compensation, this is calculated on the last month salary before the termination of his agreement without any salary limit as stated above. According to the Greek labor law there are cases in which the employee is not entitled to compensation as indicatively referred to herein below e.g. in case of employee's resignation, in case of employee's dismissal during the first 12 months of his employment, in case of filing against an employee a law suit for a penal offense which was committed during his employment and in case of employee's death.

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

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

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

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

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

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

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

	2022	2021
Current service cost	5,532	4,400
Income statement effect recorded in line "Personnel costs"	5,532	4,400
Income statement effect recorded in line "Interest expense"	1,006	889
Total effect on the income statement	6,538	5,289

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

	2022	2021
Defined benefit obligation at the beginning of the year	74,511	66,317
Current service cost	5,532	4,400
Interest cost	1,006	889
Actuarial (gains) / losses	(31,939)	2,905
Defined benefit obligation at the end of the year	49,110	74,511

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

	2022	2021
Discount rate	4.08%	1.35%
Assumed rate of future salary changes	2023-2024:2.80% 2025+:2.50%	2.00%
Inflation rate	2023-2024:2.30% 2025+:2.00%	1.50%
Average future working life (years)	18.08	20.76

If the discount rate used in the valuation was 1% higher, then the defined benefit obligation for staff retirement indemnities would decrease by about 15.7%. If the discount rate used in the valuation was 1% lower, then the defined benefit obligation for staff retirement indemnities would increase by about 19.4%. If the rate of future salary increases was 0.5% higher, then the defined benefit obligation for staff retirement indemnities would increase by about 9.3%. If the rate of future salary increases was 0.5% lower, then the defined benefit obligation for staff retirement indemnities would reduce by about 8.4%.

The Company's employees at December 31, 2022 amounted to 15 while at December 31, 2021 amounted to 15.

15. INCOME TAX – DEFERRED TAXES

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

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

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

Greek tax regulations and related clauses are subject to interpretation by the tax authorities and administrative courts of law. Tax returns are filed annually. The profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the tax payer and a final assessment is issued. In accordance with the Greek tax legislation (article 36 of law 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 audit tax certificate process (described below). Net operating losses which are tax deductible, can be carried forward against taxable profits for a period of five years from the year they are generated.

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

Tax compliance report

From the financial year 2011 and onwards, Greek Société Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements are subject to the "Tax compliance report" process as provided for by paragraph 5 of Article 82 of law 2238/1994 and article 65a of law 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.

It is noted that the Company has been audited for the years 2011 till 2021 within the framework of the "Tax compliance report" process as provided by paragraph 5 of article 82 of L.2238/1994 and article 65A of L.4174/2013 and the relevant Tax compliance reports have been issued without reservations by PricewaterhouseCoopers S.A. and with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the respective annual financial statements.

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

The tax audit for the financial year 2022 is being performed by Deloitte Certified Public Accountants S.A. Upon completion of the tax audit, management does not expect that significant additional tax liabilities will arise, in excess of those provided for and disclosed in the financial statements.

Unaudited tax years

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

15.1 Income tax

The income tax expense is analyzed as follows:

	2022	2021
Current income tax	(156,951)	(130,127)
Deferred income tax	7,260	8,598
Deferred income tax - Effect of a change in tax rate	-	1,183
Total	(149,691)	(120,346)

The income tax payable as of December 31, 2022 amounted to Euro 55,903 (December 31, 2021: Euro 38,449).

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

	2022	2021
Profit before tax	553,702	422,216
Statutory tax rate	22%	22%
Tax at statutory rate	(121,814)	(92,888)
Expenses non-deductible for tax purposes	(27,877)	(28,641)
Impact due to change in tax rates	-	1,183
Income tax	(149,691)	(120,346)

15.2 Deferred income tax

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

	Balance 31/12/2020	Effect in income statement 2021	Effect in comprehensiv e income	Balance 31/12/2021	Effect in income statement 2022	Effect in comprehensiv e income	Balance 31/12/2022
Deferred tax assets							
Staff retirement indemnities	15,915	107	369	16,391	1,439	(7,027)	10,803
Tangible assets / Leases	3,702	(1,473)	-	2,229	(1,527)	-	702
Other provisions	1,728	2,194	-	3,922	(3,922)	-	-
Deferred tax assets (before offset)	21,345	828	369	22,542	(799)	(7,027)	11,505
Offset of deferred tax liabilities	(21,345)	(1,197)	-	(22,542)	4,010	-	(18,532)
Deferred tax assets (after offset)	-	(369)	369	-	21,743	(7,027)	(7,027)
Deferred tax liabilities							
Other	(32,302)	8,953	-	(23,349)	11,270	-	(12,079)
Deferred tax liabilities (before offset)	(32,302)	8,953	-	(23,349)	11,270	-	(12,079)
Offset of deferred tax assets	21,345	1,197	-	22,542	(4,010)	-	18,532
Deferred tax liability, net	(10,957)	9,781	369	(807)	7,260	(7,027)	(574)

16. TRADE ACCOUNTS PAYABLE

Trade accounts payable are analyzed as follows:

	2022	2021
Suppliers	94,095	84,227
Due to related parties (Note 10)	55,721	52,217
Total	149,816	136,444

17. OTHER CURRENT LIABILITIES

Other current liabilities are analyzed as follows:

	2022	2021
Other taxes / duties	24,050	21,114
Social security contribution	17,643	18,244
Other	60	11
Total	41,753	39,369

18. 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 potential impact on the Company's Greek operations. Rising inflation and increased energy prices have affected Company'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 Company's financial and non-financial assets as of December 31, 2022.

Risk from the Russian invasion of Ukraine

The Company has no operational exposure in Ukraine and Russia. However, the geopolitical uncertainty has resulted in higher inflation and increased volatility in the energy market affecting the general economic environment, which is likely to continue. Furthermore, there is an increased risk from the disruption in the global supply chain.

Risk from the coronavirus (COVID-19)

The pandemic continues to have implications for the global economy and for society. Although the pandemic has only had a limited negative impact on the telecommunications sector so far, if the global pandemic were to re-escalate, it could lead to prolonged and increased supply-side shortages. Based on experience so far, management expects the coronavirus pandemic to only impact Group business to a limited extent going forward.

Financial risks

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

(A) Credit risk

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

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

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Company. The Company assesses the credit risk following the established policies and procedures and recognizes the appropriate provision for impairment.

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

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

Impairment of financial assets

The Company's trade receivables are subject to the expected credit loss model.

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

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

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

Simplified approach				
December 31, 2022	Performing	Underperforming	Non-performing	Total
Trade receivables (Note 7)	424,357	2,943	154	427,454
Total	424,357	2,943	154	427,454

Simplified approach				
December 31, 2021	Performing	Underperforming	Non-performing	Total
Trade receivables (Note 7)	407,897	-	-	407,897
Total	407,897	-	-	407,897

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

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

(B) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company retains sufficient liquidity in order to cover its financial obligations.

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

The analysis of the undiscounted contractual payments of the financial liabilities of the Company is as follows:

December 31, 2022	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Lease liabilities (Note 5)	34,775	32,940	46,622	-	114,337
Trade accounts payable (Note 16)	149,816	-	-	-	149,816
TOTAL	184,591	32,940	46,622	-	264,153

December 31, 2021	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Lease liabilities (Note 5)	30,345	27,944	60,160	-	118,449
Trade accounts payable (Note 16)	136,444	-	-	-	136,444
TOTAL	166,789	27,944	60,160	-	254,893

(C) Market risk

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

The Company does not have financial assets and fixed-interest liabilities measured at fair value through other comprehensive income, nor derivatives (interest rate swap contracts) designated as hedging instruments in a fair value hedge accounting model. Therefore, a change in interest rates at the balance sheet date would not affect the statement of comprehensive income due to fair value changes.

19. COMMITMENTS AND CONTINGENT LIABILITIES

The company has no contractual commitments for the acquisition of fixed assets or lease commitments that have not yet commenced.

20. LITIGATION AND CLAIMS

The company has no litigation or arbitration disputes before judicial or arbitration bodies that could impact its financial position or operation.

21. RECLASSIFICATIONS

In the statement of financial position of 2021, an amount of Euro 1,600 was reclassified from “Trade accounts payable” line to the “Other current liabilities” line for better presentation.

22. EVENTS AFTER THE FINANCIAL POSITION DATE

There are no significant events to disclose after December 31, 2022.