COSMOTE Payments

ANNUAL FINANCIAL REPORT

For the period January 1, 2023, to December 31, 2023

FREE TRANSLATION FROM THE GREEK ORIGINAL

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

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I. ANNUAL REPORT OF THE BOARD OF DIRECTORS

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of “COSMOTE PAYMENTS – ELECTRONIC MONEY SERVICES SINGLE MEMBER S.A.” (the “Company”, “COSMOTE PAYMENTS”) presents its Report on the Financial Statements for the year from January 1, 2023, to December 31, 2023.

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union.

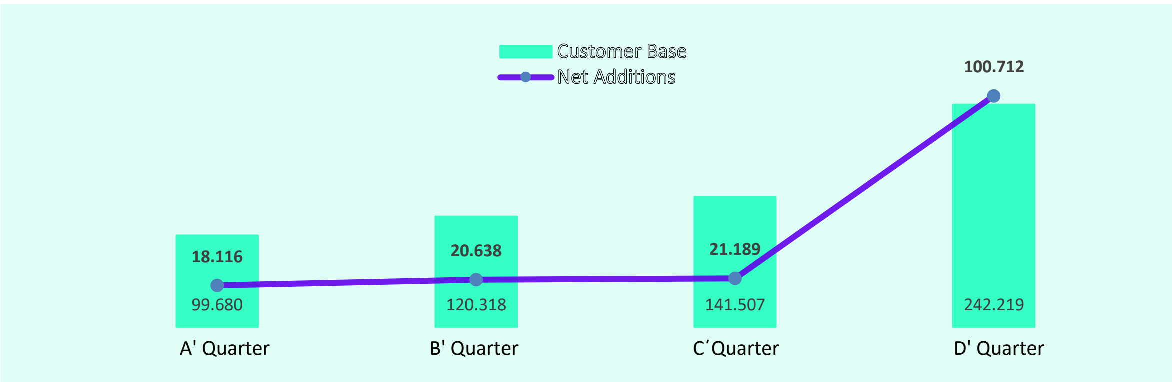
A. ACHIEVEMENTS DURING FISCAL YEAR 2023

Business development

During the year of 2023, COSMOTE Payments, managed all electronic payments of the Group's customers through the company's electronic payment settlement infrastructure (acquiring services), in all their physical and electronic sales and service channels, amounting more than 1.2 billion euro.

Also, in 2023, there was a continuously further operational and commercial development of "payzy by COSMOTE", the mobile application through which customers can obtain a Greek IBAN account at COSMOTE PAYMENTS, issue a VISA debit card to carry out all their purchases in physical and online stores, but also take advantage of innovative functionalities, such as the ability to exchange money or even share common expenses with other users of the application.

Below is depicted the impressive evolution of the payzy by Cosmote customer base during the year of 2023:



In November 2023, Cosmote Payments also presented “payzy pro”, the respective application for mobile phones and tablets (iOS & Android) with target to businesses. Through payzy pro application, a small to medium sized company can acquire a professional IBAN account held to Cosmote Payments, can issue a VISA debit card free of cost in order to proceed with transactions, and also carry out bank transfers and payments of its accounts.

At the same time, payzy pro is an innovative tool for promoting and increasing the competitiveness of the business. Through payzy pro, entrepreneurs can promote their business to thousands of registered payzy by COSMOTE users and create their own loyalty program in the form of "cashbacks", that is meaning exclusive offers with refunds in euro for the customer who completes his transaction with payzy by COSMOTE.

Finally, through payzy pro, companies get direct access to the amounts they collect from payzy by COSMOTE users as the mobile phone is used as a "terminal" for accepting payments with a QR code, and the amounts are transferred directly to the company's IBAN account.

Share capital increase.

On November 9, 2023, the General Meeting of Shareholders of the Company approved the increase of the share capital by Euro 20,000,000 through the issuance of 200,000 new registered shares with a nominal value of Euro 100 each, paid in cash by OTE S.A., and the subsequent amendment of Article 5 of the Company's Articles of Association. OTE S.A. paid the first installment on December 6, 2023, amounting to Euro 12,000,000 and the second on February 20, 2024, amounting to Euro 8,000,000.

B. FINANCIAL REVIEW FOR THE PERIOD FROM 1 JANUARY 2023 TO 31 DECEMBER 2023

Total turnover for 2023 amounted to Euro 20,964,038 as opposed to Euro 12,030,520 for 2022, showing an increase of 74.26%. The gross profit amounted to Euro 5,001,917 compared to Euro 2,121,692 in 2022, showing an increase of 135,75%. Operating losses before financial and investing activities, depreciation, amortization, and impairment amounted to Euro (1,852,725) as compared to losses of Euro (1,636,815) in 2022. Losses before taxes for the fiscal year 2023 amounted to Euro (6,533,100) as compared to losses of Euro (3,023,551) in 2022. Losses after taxes for the current fiscal year amounted to Euro (5,208,319) as compared to losses of Euro (2,384,062) in the previous fiscal year.

The following table includes the most important ratios:

	2023	2022
Current assets / Current Liabilities	1.78	1.45
Total Equity / Total assets	0.52	0.40
Total Equity / Share Capital	0.76	0.79

In addition, according to article 1 of the Codified Law 4403/2016, it is notified that the Company does not have any branch within the fiscal year 2023.

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

C. 2024 OUTLOOK FOR THE COMPANY

The prospects of COSMOTE PAYMENTS for the current year are promising, considering the continuously growing customer base of payzy by COSMOTE, the commercial launch of the new e-wallet for corporate customers payzy Pro, the company's other available commercial services, the Group's customer base, as well as the certified physical network of the company's representatives.

In this context, the Company intends to continue the promotion plan of existing services and include new ones both in the field of payment and electronic money.

Finally, the company, is expected to launch in pilot payzy in Germany during 2024 in collaboration with Deutsche Telekom company.

D. FINANCIAL RISK MANAGEMENT

Macroeconomic conditions in Greece

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

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

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

Financial Risks

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

A) Credit risk

Credit risk involves the possibility of financial loss caused to the Company by a counterparty following a breach of their contractual obligations.

The maximum credit risk to which the Company is exposed, at the date the financial statements were drafted, is the book value of its financial assets.

Defaulted payments from customers could potentially adversely affect the liquidity of the Company. The receivables from affiliated companies amount to 42% (2022: 34%) of the total receivables and do not constitute exposure to credit risk. The other receivables concern acquiring services towards the schemes, VISA and Mastercard, for which the risk of default payments is considered low.

The Company implements a specific credit policy which focuses on both assessing the customers' creditworthiness and effectively managing the receivables, before they become overdue, as well as after being overdue or doubtful. For the monitoring of credit risk, customers are grouped depending on their category, their credit risk characteristics, and the maturity/aging of their receivables, also considering future factors relating to customers and the financial environment.

The cash and cash equivalents of the Company are mainly invested in highly risk rated counterparties and with a short-term tenor.

Impairment of financial assets

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

- Trade receivables
- Other financial assets

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the estimated impairment loss was immaterial and was not recognized.

The Company applies the simplified approach of IFRS 9 to measure the expected credit losses, according to which, the loss allowance is always measured to an amount equal to the lifetime expected credit losses of the receivables from customers.

The following table demonstrates the Company's credit risk exposure of trade receivables in book value before impairment:

(Simplified approach)	31 December 2023			
	Performing	Underperforming	Non-performing	Total
Trade receivables	11,844,333	-	-	11,844,333
Total	**11,844,333**	**-**	**-**	**11,844,333**

(Simplified approach)	31 December 2022			
	Performing	Underperforming	Non-performing	Total
Trade receivables	8,845,944	-	-	**8,845,944**
Total	**8,845,944**	**-**	**-**	**8,845,944**

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

B) Liquidity risk

Liquidity risk is the risk that the Company will not be able to fulfil its financial obligations when required.

The Company retains sufficient liquidity to timely fulfill its financial obligations.

Below, the analysis of the undiscounted contractual payments of the Company's financial liability is as follows:

31 December 2023	Total	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Borrowings	2,573,200	36,600	2,536,600		-
Lease liabilities	419,272	210,938	108,915	99,419	-
Trade accounts payable	22,322,166	22,322,166	-	-	-
Other current liabilities	1,438,095	1,438,095	-	-	-
Total	**26,752,733**	**24,007,799**	**2,645,515**	**99,149**	**-**

31 December 2022	Total	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Borrowings	2,609,800	36,600	36,600	2,536,600	-
Lease liabilities	351,185	161,477	126,303	63,405	-
Trade accounts payable	19,182,226	19,182,226	-	-	-
Other current liabilities	568,816	568,816	-	-	-
Total	**22,712,027**	**19,949,119**	**162,903**	**2,600,005**	**-**

C) Market risk

Market risk concerns the risk that the changes in market prices, such as exchange rates and interest rates, may impact the Company's financial results. The purpose of market risk management is to control the exposure of the Company to these risks within the context of acceptable parameters.

The Company has no fixed interest rate financial assets and liabilities measured at fair value through the statement of comprehensive income and derivatives (interest rate swap contracts) characterized as fair value hedge accounting instruments. Consequently, a change in interest rates at the balance sheet date would not affect the statement of comprehensive income due to fair values.

Interest rate risk

Company's bond is in Euro, of fixed interest rate, and amounts to 2,500,000 Euro on 31 December 2023 (31 December 2022: 2,500,000 Euro), which was fully covered by the Group's company, OTE PLC.

E. NON-FINANCIAL STATEMENT

HUMAN RESOURCES

The Company follows the respective policy of OTE Group, offering a sustainable and technologically advanced work environment for its people. It cultivates a culture of development, encourages, and seeks diversity, recognizes high performance, and provides unlimited development and training opportunities. At the same time, it particularly emphasizes on issues concerning its employees' safety, health, and wellness, quickly activating, when necessary, mechanisms to tackle any type of disruption (like in the case of COVID-19 pandemic), creating a safe work environment, to the benefit of both customers and society.

Company's employees on December 31, 2023, amounted to 35, while at December 31, 2022 amounted to 8.

The proportion of women in relation to the total personnel of the Company for 2022 amounted to 40.0%.

Sustainable development

The Company follows the Sustainable Development strategy of OTE Group, using its technology and capabilities to create a better world for all. At the same time, it operates in a way enhancing its sustainable entrepreneurship, contributing to the economy, society, and environment.

Sustainable Development is an integral part of OTE Group's and the Company's business strategy, and its principles are integrated into their operations.

F. EVENTS AFTER THE FINANCIAL POSITION DATE

On July 13, 2023, the Boards of Directors of OTE and COSMOTE decided the initiation of the merger procedure through absorption of OTE’s 100% subsidiary, COSMOTE. The transaction was completed on January 2, 2024 upon registration in the General Commercial Register (Γ.Ε.ΜΗ.). After the completion of this merger, COSMOTE PAYMENTS provides the same services that were provided to COSMOTE, to OTE SA.

On February 20, 2024, OTE S.A. paid the second installment of the share capital increase, amounting to Euro 8,000,000.

Athens, May 24, 2024

Chairman of the BoD	Chief Executive Officer
Tsamaz Michael	Vaitsos Alexios

II. AUDITOR'S REPORT

Deloitte.

Deloitte Certified Public
Accountants S.A.
3a Fragkokklisias & Granikou str.
Marousi Athens GR 151-25
Greece

Tel: +30 210 6781 100
www.deloitte.gr

TRUE TRANSLATION FROM THE ORIGINAL IN GREEK LANGUAGE

Independent Auditor's Report

To the Shareholders of the Company COSMOTE PAYMENTS – ELECTRONIC MONEY SERVICES SINGLE MEMBER S.A.

Report on the Audit of the Financial Statements

Opinion

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

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

Basis of Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in Greek Legislation. Our responsibilities under those standards are further 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 requirements of the legislation currently in force and of the aforementioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

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.

Deloitte.

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

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

   a) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements currently in force of the article 150 of Law 4548/2018 and its content is in line with the accompanying financial statements for the year ended 31.12.2023.

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

Athens, 28 May 2024

The Certified Public Accountant

Nikolaos Martaras
Reg. No. SOEL: 54971
Deloitte Certified Public Accountants S.A.
3a Fragoklissias & Granikou str., 151 25 Maroussi
Reg. No. SOEL: E. 120

III. ANNUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023, AND FOR THE YEAR THEN ENDED

ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2023 TO 31 DECEMBER 2023
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS as adopted by the European Union

FREE TRANSLATION FROM THE GREEK ORIGINAL

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

The Annual Financial Statements presented on pages 17 to 51 were approved by the Board of Directors on May 24, 2024, and are signed by:

Chairman of the BoD	Chief Executive Officer	Head of Finance	Accounting Director
Michael Tsamaz	Alexios Vaitsos	Miltiadis Bagiorgakis	Anastasios Kapenis

COSMOTE Payments

STATEMENT OF FINANCIAL POSITION

(Amounts in Euro)	Notes	2023	2022
ASSETS			
Non-current assets			
Intangible assets	5	10,253,126	7,477,273
Property, plant and equipment	4	657,008	183,726
Right of use assets	6	380,360	333,631
Deferred tax assets	7	2,332,549	973,114
Other non-current assets		19,648	2,901
Total non-current assets		**13,642,691**	**8,970,645**
Current assets			
Trade receivables	8	11,844,333	8,845,944
Other current assets	9	8,803,873	388,618
Cash and cash equivalents	10	22,116,265	19,747,845
Total current assets		**42,764,471**	**28,982,407**
TOTAL ASSETS		**56,407,162**	**37,953,052**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	38,925,000	18,925,000
Other reserves	11	(327,131)	(80,390)
Retained earnings	11	(9,048,418)	(3,840,099)
Total equity		**29,549,451**	**15,004,511**
Non-current liabilities			
Long-term borrowings	12	2,500,000	2,500,000
Provision for staff retirement indemnities	13	184,594	20,714
Lease liabilities	6	192,335	182,542
Other non-current liabilities		-	314,931
Total non-current liabilities		**2,876,929**	**3,018,187**
Current liabilities			
Trade accounts payable	14	22,322,166	19,182,226
Lease liabilities	6	195,251	154,043
Other current liabilities	15	1,463,365	594,085
Total current liabilities		**23,980,782**	**19,930,354**
TOTAL EQUITY AND LIABILITIES		**56,407,162**	**37,953,052**

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

COSMOTE Payments

INCOME STATEMENT

(Amounts in Euro)	Notes	2023	2022
Service revenues		20,964,038	12,030,520
Cost of services	16	(15,962,121)	(9,908,828)
Gross Margin		**5,001,917**	**2,121,692**
Other operating income		**293,658**	**63,525**
Operating expenses			
Personnel costs		(2,610,549)	(1,149,917)
Marketing expenses		(2,083,075)	
Other operating expenses, out of which:		(2,454,676)	(2,672,115)
Third party fees and services		(219,261)	(696,071)
Other taxes and regulatory charges		(1,790,138)	(1,693,613)
Other sundry operating expenses		(445,277)	(282,431)
Total operating expenses before depreciation, amortization and impairment		**(7,148,300)**	**(3,822,032)**
Operating losses before financial and investing activities, depreciation, amortization, and impairment		**(1,852,725)**	**(1.636.815)**
Depreciation, amortization, and impairment	4,5,6	(4,563,251)	(1,189,726)
Operating losses before financial and investing activities		**(6,415,976)**	**(2,826,541)**
Income and expense from financial and investing activities			
Interest and related expenses		(314,557)	(201,329)
Interest income		196,463	4,296
Foreign exchange differences, net		970	23
Total loss from financial and investing activities		**(117,124)**	**(197,010)**
Loss before tax		**(6,533,100)**	**(3,023,551)**
Income tax	7	1,324,781	639,489
Loss for the year		**(5,208,319)**	**(2,384,062)**

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

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euro)	Notes	2023	2022
Loss for the year		(5,208,319)	(2,384,062)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains / (losses)	13	(157,518)	13,924
Deferred taxes on actuarial gains / (losses)	7	34,654	(3,063)
Total items that will not be reclassified subsequently to profit or loss		**(122,864)**	**10,861**
Items that may be reclassified subsequently to profit or loss		-	-
Total items that may be reclassified subsequently to profit or loss		-	**-**
Other comprehensive income / (loss) for the year		**(122,864)**	**10,861**
Total comprehensive income / (loss) for the year		**(5,331,183)**	**(2,373,201)**

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

STATEMENT OF CHANGES IN EQUITY

(Amounts in Euro)	Share capital	Other reserves	Retained earnings	Total equity
Balance as at January 1, 2022	**4,425,000**	**10,029**	**(1,456,037)**	**2,978,992**
Loss for the year	-	-	(2,384,062)	**(2,384,062)**
Other comprehensive income / (loss)	-	10,861	-	**10,861**
Total comprehensive income / (loss)	-	**10,861**	**(2,384,062)**	**(2,373,201)**
Share capital increase	14,500,000	(87,000)	-	**14,413,000**
Share option plans	-	(14,280)	-	**(14,280)**
Balance as at December 31, 2022	**18,925,000**	**(80,390)**	**(3,840,099)**	**15,004,511**
Loss for the year	-	-	(5,208,319)	**(5,208,319)**
Other comprehensive income / (loss)	-	(122,864)	-	**(122,864)**
Total comprehensive income / (loss)	-	**(122,864)**	**(5,208,319)**	**(5,331,183)**
Share capital increase (Note 11)	20,000,000	(120,000)	-	**19,880,000**
Share option plans	-	(3,877)	-	**(3,877)**
Balance as at December 31, 2023	**38,925,000**	**(327,131)**	**(9,048,418)**	**29,549,451**

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

STATEMENT OF CASH FLOWS

(Amounts in Euro)	Notes	2023	2022
Cash flows from operating activities			
Loss before tax		(6,533,100)	(3,023,551)
Adjustments for:			
Depreciation, amortization and impairment	4,5,6	4,563,251	1,189,726
Provision for staff retirement indemnities	13	103,891	11,525
Interest income		(196,463)	(4,296)
Interest and related expenses		314,557	201,329
Working capital adjustments:			
Decrease / (increase) in receivables		(3,465,045)	(5,852,952)
(Decrease) / increase in liabilities		3,725,917	15,088,997
Plus /(Minus):			
Payment for voluntary leave schemes	13	(98,380)	
Interest and related expenses paid		(299,843)	(193,881)
Interest paid for leases	6	(14,714)	(7,448)
Net cash flows from operating activities		**(1,899,928)**	**7,409,449**
Cash flows from investing activities			
Purchases of tangible assets	4	(679,038)	(188,975)
Purchases of intangible assets	5	(6,933,806)	(6,684,219)
Interest received		196,463	4,296
Net cash flows used in investing activities		**(7,416,381)**	**(6,868,898)**
Cash flows from financing activities			
Proceeds from share capital increase	11	12,000,000	14,500,000
Payments related to share capital increase	11	(120,000)	(87,000)
Lease repayments	6	(195,270)	(129,128)
Net cash flows used in financing activities		**11,684,730**	**14,283,872**
Net increase in cash and cash equivalents		**2,368,420**	**14,824,423**
Cash and cash equivalents at the beginning of the year		19,747,845	4,923,422
Cash and cash equivalents at the end of the year		**22,116,265**	**19,747,845**

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

1. COMPANY ESTABLISHMENT AND ACTIVITIES

The full name of the Company is “COSMOTE PAYMENTS – ELECTRONIC MONEY SERVICES SINGLE MEMBER S.A” with distinctive title “COSMOTE PAYMENTS” (or “Company”). The Company was established on 5 June 2018 in Athens and its register office is in Marousi, at 99 Kifisias ave. The Company’s term, pursuant to its Articles of Incorporation, is set at 99 years from its establishment date.

The Company is a 100% subsidiary of HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (“OTE”), and its ultimate parent company is Deutsche Telekom AG holding 52.8% of OTE share capital.

The aim of the Company is to provide payment services, namely the conducting of the following business activities, under the terms of the applicable legislation:

- Services enabling cash deposits on a payment account, as well as all the activities required for holding a payment account,
- Services enabling cash withdrawals from a payment account, as well as all the activities required for holding a payment account,
- Execution of payment transactions, including transfer of funds on a payment account opened by the user with their current payment service provider or another payment service provider,
- Execution of payment transactions on such terms that the transfer funds are covered from the credit exposure for a payment service user,
- Issuing or/and acquiring of payment instruments,
- Remittances,
- Execution of payment transactions where the consent of the payer to execute a payment transaction is given by means of a telecommunication, digital or IT device, and the payment is made to the telecommunication, digital, IT system or network operator, that act only as an intermediary between the payment service user and the supplier of the goods and services,
- Issuing, distributing, and encashment of digital money, under the terms of the applicable legislation.

The Company’s financial statements are included in the consolidated financial statements of (a) OTE (headquarters in Marousi, Attica, 99 Kifisias ave., Electronic Commercial Registry No. 1037501000) and (b) Deutsche Telekom AG (headquarters in Bonn, Germany).

The financial statements were approved by the Board of Directors of the Company on May 24, 2024, while they are subject to the approval of General Shareholders' Meeting.

Company's employees at December 31, 2023 amounted to 35, while at December 31, 2022 amounted to 8.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

2.1 Significant accounting estimates, judgements and assumptions

The preparation of the financial statements requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities included in the financial statements. On an ongoing basis, management evaluates its estimates and judgements, including those related to allowance for expected credit losses, the estimated useful life of non-financial assets, impairment of property, plant and equipment, impairment of intangible assets, recognition of revenues and expenses and income taxes. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the bases for making judgments about the carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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

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.

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 7.

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 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 losses can be utilized. The Company has considered future taxable income and followed ongoing feasible and prudent tax planning strategy in the assessment of the recoverability of deferred tax assets. The accounting estimate related to deferred tax assets requires management to make assumptions regarding the timing of future events, including the probability of expected future taxable income and available tax planning opportunities. Further details are provided in Note 7.

Provisions for expected credit losses of trade receivables

The Company applies the IFRS 9 simplified approach to measure expected credit losses which using a lifetime expected loss allowance for all trade receivables. 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. 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. Further details are provided in Notes 8 and 18.

Post retirement and other defined benefit plans

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 13.

2.2 New standards, amendments to standards and interpretations

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

Standards and Interpretations effective for the current financial year

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

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

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

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

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

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

Standards and Interpretations effective for subsequent periods

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

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

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

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

- **IAS 7 (Amendments) "Statement of Cash Flows" and IFRS 7 (Amendments) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after January 1, 2024):** The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and the entity's exposure to liquidity risk. Under the existing Application Guidance in IFRS 7, an entity is required to disclose a description of how it manages the liquidity risk resulting from financial liabilities. The amendments include as an additional factor whether the entity has accessed, or has access to, supplier finance arrangements that provide the entity with extended payment terms or the entity's suppliers with early payment terms.

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

- **IFRS 18 "Presentation and Disclosure in Financial Statements" (effective for annual periods beginning on or after January 1, 2027):** The standard replaces IAS 1 "Presentation of Financial Statements". The standard requires companies to report subtotals for operating profit and profit before financing and income taxes in the statement of profit or loss. In addition, the standard requires companies to disclose reconciliations between reported management-defined performance measures and totals or subtotals required by IFRS Accounting Standards. The standard also introduces enhanced requirements for grouping of information in the financial statements and the presentation of operating expenses in the statement of profit or loss and the notes. The standard has not yet been endorsed by the EU.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The main accounting policies adopted and implemented upon preparation of the financial statements are the following:

3.1. 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.

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

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.

- Financial assets at fair value through other comprehensive income.

- Financial assets at fair value through profit or loss.

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 Company has not classified any asset in this category.

The Company has no assets measured at fair value through other comprehensive income on 31 December 2023.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognized on the settlement date (i.e. the date that the asset is transferred or delivered to the Company).

Impairment of financial assets

The Company assesses at each reporting date, whether a financial asset or group of financial assets is impaired and recognize:

If necessary, an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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

For trade receivables, 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.

De-recognition 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 subsequent measurement, financial liabilities are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss.

De-recognition 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 de-recognition 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.

3.2. Cash and cash equivalents

Cash and cash equivalents include sight deposits in banks.

3.3. Current and Deferred Income Tax

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

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

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

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

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

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

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

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

3.4. Share Capital

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

3.5. Leases

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

Accounting by lessee

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

I. Right-of-use assets

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

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

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

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.

3.6. 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.

3.7. 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.

3.8. Intangible assets

Intangible assets acquired separately are recognized at historical 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 concerns software for the facilitation of company’s activities. Their useful life ranges from 2 to 5 years.

3.9. Property, Plant and Equipment

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

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

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

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

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

Depreciation of tangible assets is recognized on a straight-line basis over the estimated useful life of tangible assets, which is periodically reviewed. Their useful life ranges from 3 to 5 years.

3.10. Trade Receivables and Allowance for Expected Credit Losses

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

Trade receivables are initially recognized at their fair value which is equal to the transaction amount. Subsequently they are measured at amortized cost, less an allowance for expected credit losses (ECLs) based on lifetime ECLs at each reporting period. At each reporting date, trade receivables are assessed 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.

3.11. Revenue from contracts with Customers

The Company's revenues mainly come from the provision of services, net of recoverable taxes and discounts.

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. Revenues from services are recognized in the longer term, since the customer simultaneously receives and exploits the benefits arising from the service provided by the Company. Revenues from the provision of services are recognized in the year these were provided.

The recognition of revenue is made more specifically as follows:

Provision of services

The Company's revenues mainly come from interbank fees and a percentage mark-up as its commission for transactions in which the Company acts as an agent. For all Electronic Money and payment services, the Company retains the risk of exposure to financial institutions and payment networks in terms of interbank fees as well as the mark-up rate.

The Company has the following revenues from services provision:

Transactions clearing revenue (acquiring): Fees paid by merchants, usually as a percentage of the transaction value. These fees are recognized when the transaction is cleared with the merchant. These fees include interbank fees, payment network fees, and other expenses incurred by financial institutions.

Card issuing revenue (issuing): Revenue collected by the acquirer bank during clearing with card schemes when a Payzy customer uses his debit card. This revenue is earned on transactions.

Payment transaction execution revenue: Fees paid by Payzy customers for Electronic Money services and payment services.

Acquiring, issuing and payment transaction execution revenue are recognized at a given point in time, as they are generally separate performance obligations.

Revenue from provision of services: Fees paid by OTE Group companies for electronic money services and related payment services provided by the Company to OTE Group customers.

The revenues from the provision of services are recognized over time as the customer simultaneously receives and consumes the benefits deriving from the service provided by the Company.

3.12 . Interest income

Interest income is recognized when the interest becomes accrued (based on the effective interest rate 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.

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 . Borrowings

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

3.15 . 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.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment mainly refers to equipment for information systems and is analyzed as follows:

	2023	2022
Net book value January 1,	183,726	-
Additions	679,038	188,975
Depreciation charge for the year	(205,756)	(5,249)
Net book value December 31	**657,008**	**183,726**
December 31		
Cost	868,013	188,975
Accumulated depreciation	(211,005)	(5,249)
Net book value December 31	**657,008**	**183,726**

5. INTANGIBLE ASSETS

Intangible assets mainly concern software programs - applications and are analyzed as follows:

	2023	2022
Net book value 1 January	7,477,273	1,851,400
Additions	6,933,806	6,684,219
Amortization charge for the year	(4,157,953)	(1,058,346)
Net book value December 31	**10,253,126**	**7,477,273**
31 December		
Cost	15,832,310	8,898,504
Accumulated amortization	(5,579,184)	(1,421,231)
Net book value December 31	**10,253,126**	**7,477,273**

Intangible assets include software amounting to EUR 1,158,073, which as of 31 December 2023 was being prepared for use and is expected to become operational in 2024.

6. LEASES

Right-of-use assets are analyzed as follows:

	Buildings	Other equipment	Total
Year 2021			
Cost	63,223	144,174	207,397
Accumulated depreciation	(23,442)	(8,010)	(31,452)
Net book value 31/12/2021	**39,781**	**136,164**	**175,945**
Year 2022			
Additions -cost	780	283,037	283,817
Depreciation charge for the year	(19,036)	(107,095)	(126,131)
31/12/2022			
Cost	64,003	427,211	491,214
Accumulated depreciation	(42,478)	(115,105)	(157,583)
Net book value 31/12/2022	**21,525**	**312,106**	**333,631**
Year 2023			
Additions -cost	187,505	100,481	287,986
Reductions and write-offs - cost	(43,416)	(51,230)	(94,646)
Depreciation charge for the year	(43,129)	(156,413)	(199,542)
Reductions and write-offs - accumulated depreciation	36,901	16,030	52,931
31/12/2023			
Cost	208,092	476,462	684,554
Accumulated depreciation	(48,706)	(255,488)	(304,194)
Net book value 31/12/2023	**159,386**	**220,974**	**380,360**

The Company’s depreciation includes depreciation for the right-of-use assets concerning lease contracts with related parties amounting to Euro 43,129 (2022: Euro 19,036).

The Statement of financial position of 2023 includes the following amounts related to lease liabilities:

	31/12/2023	31/12/2022
Lease liabilities (long-term portion)	192,335	182,542
Lease liabilities (short-term portion)	195,251	154,043
Total lease liabilities	**387,586**	**336,585**

Lease liabilities include liabilities of lease arrangements with related parties, amounting to Euro 161,155 (2022: Euro 21,996), out of which Euro 64,029 (2022: Euro 18,682) relates to the short-term portion of the liabilities and Euro 97,126 (2022: Euro 3,314) relates to the long-term portion of the lease liabilities to related parties, respectively.

Company's interest expense on lease liabilities amounts to Euro 14,714 (2022: Euro 7,448) which includes interest from lease liabilities to related parties amounting to Euro 4,351 (2022: Euro 889).

The Company's total cash outflows for leases amount to Euro 209,984 (2022: Euro 136,576).

The maturity analysis of lease liabilities is in Note 18.

7. INCOME TAX – DEFERRED TAXES

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

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

Based on law 4646/2019 as amended by law 4876/2021, from January 01, 2021, 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 taxpayer and a final assessment is issued. In accordance with the Greek tax legislation (article 36 of law 4174/2013) in force and the respective Ministerial Decisions issued, the Greek tax authorities may impose additional taxes and penalties following a tax audit, within the applicable statute of limitations which in principle is five years as from the end of the following fiscal year within which the relevant tax return should have been submitted.

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, an 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.

7.1 Tax compliance report

For 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 2021 and 2022 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 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 2023 is being performed by Deloitte Certified Public Accountants S.A.. Upon completion of the tax audit, management does not expect that significant additional tax liabilities will arise, in excess of those provided for and disclosed in the financial statements.

7.2 Unaudited fiscal 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. The Company has not been audited by the tax authorities for the fiscal years 2018-2023.

7.3 Income tax

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

	2023	2022
Deferred income tax	(1,324,781)	(639,489)
Total tax (income)	**(1,324,781)**	**(639,489)**

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

	2023	2022
Loss before tax	**(6,533,100)**	**(3,023,551)**
Statutory tax rate	22%	22%
Tax at statutory rate	(1,437,282)	(665,181)
Expenses non -deductible for tax purposes	138,901	25,692
Other	(26,400)	-
Income tax (expense)	**(1,324,781)**	**(639,489)**

7.4 Deferred taxes

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

	Balance 31/12/2021	Effect in income statement 2022	Effect in comprehensive income 2022	Balance 31/12/2022	Effect in income statement 2023	Effect in comprehensive income 2023	Balance 31/12/2023
Deferred tax assets							
Provisions	43,828	206,760		250,588	(159,414)	-	**91,174**
Staff retirement indemnities	5,027	2,593	(3,063)	4,557	1,400	34,654	**40,611**
Tangible and intangible assets / Leases	20,255	125,738		145,993	553,267	-	**699,260**
Tax losses	267,578	304,398		571,976	929,529	-	**1,501,505**
Other							
Deferred tax assets	**336,688**	**639,489**	**(3,063)**	**973,114**	**1,324,781**	**34,654**	**2,332,549**

The company has recognized a deferred tax asset for the tax loss carryforwards. According to the company's 4-years' business plan, it is estimated that there will be sufficient taxable profits that will be used against the carried forward losses and the company will recover the total amount of the deferred tax assets.

Global Minimum Taxation

Within 2024, the Law 5100/2024 was voted, according to which Greece enacted a legislation to ensure a global minimum taxation (15%) from 2024 onwards, according to the OECD's Pillar-II Global Anti-base Erosion (GloBE) regulations and the corresponding EU directive 2022/2523. These rules concern multinational groups of companies and large-scale domestic groups with annual revenues of Euro 750 million and above. In accordance with the option provided by the directive, by the same law, a domestic additional tax was established which will be due by the domestic companies of the groups that match the above criteria and have low taxation.

Despite the complexity of the new directions, it is expected that no additional tax liabilities ("top-up" tax) will arise for the company.

8. TRADE RECEIVABLES

The trade receivables are analyzed as follows:

	2023	2022
Receivables from acquiring	6,824,003	5,821,083
Receivables from related parties (Note 17)	5,020,330	3,024,861
Total	**11,844,333**	**8,845,944**

	2023	2022
Not past due and not impaired	11,844,333	8,845,944
Total	**11,844,333**	**8,845,944**

9. OTHER CURRENT ASSETS

Other current assets are analyzed as follows:

	2023	2022
Other receivables from related parties (Note 17)	8,000,000	-
VAT receivable and other taxes	426,151	104,969
Other	377,722	283,649
Total	**8,803,873**	**388,618**

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analyzed as follows:

	2023	2022
Short-term bank deposits	22,116,265	19,747,845
Total	**22,116,265**	**19,747,845**

Cash for the fiscal year 2023 includes both the Company's cash and the cash on behalf of clients.

11. EQUITY

11.1 Share capital

On November 9, 2023, the General Meeting of Shareholders of the Company approved an increase in the share capital by the amount of Euro 20,000,000 through the issuance of 200,000 new registered shares, with a nominal value of Euro 100 each, with cash payment by OTE S.A. and consequent modification of Article 5 of the Company's Articles of Association.

OTE S.A. paid the first installment of share capital increase amounting to Euro 12,000,000 on December 6, 2023.

All the expenses related to that increase in share capital of Euro 120,000 were paid within 2023.

After this increase, the share capital amounted to Euro 38,925,000 as of December 31, 2023, divided into 389,250 common registered shares, with a nominal value of €100 each.

11.2 Loss balance carried forward

The loss balance carried forward on 31 December 2023 amounts to Euro 9,048,418 (31 December 2022: Euro (3,840,099)). The change is due to the losses of the fiscal year amounting to Euro 5,208,319.

11.3 Other reserves

Other reserves concern share option plans amounting to Euro (8,128) (31 December 2022: Euro (4,251)), actuarial gains and losses net of deferred taxes amounting to Euro (112,003,32) (31 December 2022: Euro 10,861), as well as share capital increase expenses of Euro (207,000) (31 December 2022: (87,000)).

12. LOANS

On 24 April 2020, the Company issued a bond amounting to Euro 2,500,000 expiring on 24 April 2025, which was fully covered by the OTE Group company, OTE PLC.

Loans are analyzed as follows:

				2023	2022
Borrower	**Investment type**	**Nominal interest rate**	**Maturity date**	**Book value 31/12/2023**	**Book value 31/12/2022**
OTE PLC	Bond	1.464%	24/4/2025	2,500,000	2,500,000
				2,500,000	**2,500,000**

13. PROVISION FOR 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 2000. In case of retirement, the payable amount of compensation is equal to 50% of the amount which would be payable upon dismissal without cause and 40% if the employee has an auxiliary social security. In case that an employee has the right to receive an extra compensation, this is calculated on the last month salary before the termination of his agreement without any salary limit as stated above. According to the Greek labor law there are cases in which the employee is not entitled to compensation as indicatively referred to herein below e.g. in case of employee's resignation, in case of employee's dismissal during the first 12 months of his employment, in case of filling against an employee a law suit for an penal offense which was committed during his employment and in case of employee's death.

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

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

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

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

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

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

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

	2023	2022
Current service cost	5,511	11,525
Recognition of past service cost, settlement, curtailment	98,380	
Effect on the income statement in line "Personnel costs"	**103,891**	**11,525**
Effect on the income statement in line "Interest expense"	851	265
Total effect on the income statement	**104,742**	**11,790**

Changes in the current value of the liability are as follows:

	2023	2022
Defined benefit obligation at the beginning of the year	20,714	22,848
Current service cost	5,511	11,525
Interest cost	851	265
Benefits paid	(98,380)	
Recognition of past service cost, settlement, curtailment	98,380	
Actuarial (gains)/ losses	157,518	(13,924)
Defined benefit obligation at the end of the year	**184,594**	**20,714**

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

	2023	2022
Discount rate	4.60%	4.11%
Assumed rate of future salary increases	1.00%	1.00%
Inflation rate	2024: 2.30% 2025+: 2.00%	(2023-2024: 2.30%, 2025: 2.00%)
Average future working life (years)	16.85	22.00

If the discount rate used in the valuation was 1% higher, then the defined benefit obligation for staff retirement indemnities would decrease by about 14.3%. If the rate of salary increase was 0.5% higher, then the defined benefit obligation for staff retirement indemnities would increase by about 8.3%.

14. TRADE ACCOUNTS PAYABLE

The trade accounts liabilities are analyzed as follows:

	2023	2022
Liabilities from acquiring	4,887,165	2,478,702
Liabilities to suppliers	6,491,194	5,732,154
Liabilities from acquiring in related companies (Note 17)	3,998,543	3,932,860
Liabilities to related companies (Note 17)	1,092,118	2,053,173
Other trade accounts payable	5,853,146	4,985,337
Total	**22,322,166**	**19,182,226**

15. OTHER CURRENT LIABILITIES

Other current liabilities are analyzed as follows:

	2023	2022
Intragroup interest payable (Notes 12, 17)	25,269	25,269
Other taxes/duties	102,876	34,179
Social security contribution	94,655	27,567
Due to employees	627,762	419,753
Other liabilities	612,803	87,317
Total	**1,463,365**	**594,085**

16. COST OF SERVICES

Cost of services are analyzed as follows:

	2023	2022
Acquiring payment costs	5,461,965	4,445,692
Third party expenses	10,500,156	5,463,136
Total	**15,962,121**	**9,908,828**

17. RELATED PARTY DISCLOSURES

Company’s related parties have been identified based on the requirements of IAS 24 “Related Party Disclosures”.

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

The transactions with the related parties are analyzed as follows:

	2023		2022	
	Revenue	Expenses	Revenue	Expenses
COSMOTE	9,067,227	799,663	5,242,760	793,766
OTE	8,417,517	251,201	4,967,620	345,811
GERMANOS	2,232,331	-	1,791,606	806
COSMOTE E-VALUE	-	2,674,412	-	1,116,452
CTS	56,248	-	-	7,983
OTE GLOBE	-	-	-	118,425
COSMOTE TV	-	565	-	-
OTE ACADEMY	-	34,322	-	-
DT group entities	800,000	-	-	18,269
Total	**20,573,323**	**3,760,163**	**12,001,986**	**2,401,512**

Balances with related parties are analyzed as follows:

	2023		2022	
	Receivables	Liabilities	Receivables	Liabilities
COSMOTE	2,096,178	1,381,031	610,410	1,758,251
OTE	10,102,932	1,282,158	1,387,758	1,881,249
OTE ESTATE	5,748	5,966	348	7,638
GERMANOS	34,429	1,636,605	941,000	1,408,745
COSMOTE E-VALUE	0	676,592	-	913,058
CTS	(13,209)	2,549	88,246	4,380
OTE GLOBE	-	-	-	34,708
OTE ACADEMY	-	35,023	-	-
COSMOTE TV	-	701	-	-
DT group entities	800,000	-	-	-
Total	**13,026,078**	**5,020,625**	**3,027,762**	**6,008,029**

Transactions with related parties do not include an amount of Euro 17,335 (2022: Euro 139,948) relating to services of borrowed personnel.

In the related parties’ balances are not included an amount of Euro 70,036 (2022: Euro 33,037) relating to bank deposits of group companies.

In “Other receivables from related parties”, it is included an amount of Euro 8,000,000 as share capital due from the share capital increase carried out on November 9, 2023.

In the context of adoption of IFRS 16, the liabilities of COSMOTE PAYMENTS to COSMOTE and OTE ESTATE include lease liabilities, amounting to Euro zero and Euro 161,155 respectively (2022: Euro 10,817 to COSMOTE S.A., OTE ESTATE Euro 11,180).

In the context of adoption of IFRS 16, the Company's expenses in 2023 from related parties do not include lease expenses amounting to Euro 45,957 (2022: Euro 19,881). Expenses to related parties include interest from lease liabilities of the Company amounting to Euro 4,351 (2022: Euro 889).

The Company's remuneration for the members of the Board of Directors, recorded in the income statement of 2023, amounted to Euro 18,132 (2021: Euro 18,148).

The Company's financial activities with the related parties coming from loans received are analyzed as follows:

	31 December 2023		31 December 2022	
	Expenses	Liabilities	Expenses	Liabilities
OTE PLC	36,600	2,525,269	36,600	2,525,269
Total	**36,600**	**2,525,269**	**36,600**	**2,525,269**

18. FINANCIAL RISK MANAGEMENT

Macroeconomic conditions in Greece

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

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

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

Financial Risks

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

A) Credit risk

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

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

Defaulted payments from customers are an amount that can possibly negatively affect the smooth liquidity of the Company. The receivables from related companies amount to 42% (2022: 34%) of the total receivables and do not include exposure to credit risk. Other receivables concern acquiring receivables towards the schemes, VISA and Mastercard, for which the risk of defaulted payments is considered low.

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

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

Impairment of financial assets

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

- Trade receivables
- Other financial assets

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the estimated impairment loss was immaterial and was not recognized.

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

The following table presents the Company’s report on credit risk of trade receivables at book value before impairment:

(Simplified approach)	31 December 2023			
	Performing	Underperforming	Non-performing	Total
Trade receivables	11,844,333	-	-	11,844,333
Total	**11,844,333**	**-**	**-**	**11,844,333**

(Simplified approach)	31 December 2022			
	Performing	Underperforming	Non-performing	Total

Trade receivables	8,845,944	-	-	8,845,944
Total	**8,845,944**	**-**	**-**	**8,845,944**

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

The split of trade receivables 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 when they fall due.

The Company retains sufficient liquidity for the timely fulfilment of its financial liabilities.

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

31 December 2023	Total	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Borrowings	2,573,200	36,600	2,536,600		-
Lease liabilities (Note 6)	419,272	210,938	108,915	99,419	-
Trade accounts payable (Note 14)	22,322,166	22,322,166	-	-	-
Other current liabilities (Note 15)	1,438,095	1,438,095	-	-	-
Total	**26,752,733**	**24,007,799**	**2,645,515**	**99,149**	**-**

31 December 2022	Total	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Borrowings	2,609,800	36,600	36,600	2,536,600	-
Lease liabilities (Note 6)	351,185	161,477	126,303	63,405	-
Trade accounts payable (Note 14)	19,182,226	19,182,226	-	-	-
Other current liabilities (Note 15)	568,816	568,816	-	-	-
Total	**22,712,027**	**19,949,119**	**162,903**	**2,600,005**	**-**

C) Market risk

Market risk refers to the risk of changes in market prices, such as exchange rates, interest rates and share prices and on the effect they will have on the results of the Company or the value of financial instruments it owns. The purpose of market risk management is to control the exposure of the Company to these risks in the frame of acceptable parameters.

The Company has no fixed-interest rate financial assets and liabilities measured at the fair value through the statement of comprehensive income and derivatives (interest rate swap contracts) characterized as fair value hedge accounting instruments. Consequently, a change in interest rates at the balance sheet date will not affect the statement of comprehensive income due to fair values.

Interest rate risk

Company's bond is in Euro, of fixed rate, and amounts to Euro 2,500,000 on 31 December 2023 (31 December 2022: Euro 2,500,000) fully covered by the company of the Group, OTE PLC.

19. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has no contractual commitments for the acquisition of tangible assets or commitments for leases that have not yet started.

Guarantees of good performance and payment amount to Euro 848,340 on 31 December 2023 (31 December 2022: Euro 855,769).

20. LEGAL CASES

The Company has no outstanding legal cases or cases under the arbitration of court or arbitration bodies with an impact on its financial position or operation.

21. RECLASSIFICATIONS

No reclassification took place this year.

22. EVENTS AFTER THE FINANCIAL POSITION DATE

On July 13, 2023, the Boards of Directors of OTE and COSMOTE decided the initiation of the merger procedure through absorption of OTE's 100% subsidiary, COSMOTE. The transaction was completed on January 2, 2024 upon registration in the General Commercial Register (Γ.Ε.ΜΗ.). After the completion of this merger, COSMOTE PAYMENTS provides the same services that were provided to COSMOTE, to OTE SA.

On February 20, 2024, OTE S.A. paid the second installment of the share capital increase, amounting to Euro 8,000,000.