

## OTE GROUP REPORTS 2020 FIRST QUARTER RESULTS

- Group revenues up 3.6% on positive performance in Greece and Romania
- Group Adj. EBITDA (AL) up 4.5%, driven by improved margin in both Greece and Romania
- Greece revenues up 1.4%
  - Mobile service revenues up 3.3% on higher data
  - Fixed retail up 1.3%, on strong Broadband
  - Adj. EBITDA (AL) up 2.0%
- Romania revenues up 9.5% continuing the recovery path
  - ICT-related projects and wholesale driving growth
  - Strong Broadband and FMC
  - Adj. EBITDA (AL) at €33.8mn up 31.5%, on higher margin and cost-cutting initiatives
- Adj. FCF at €133mn, up €97mn from Q1'19
- Limited COVID-19 weight on Q1 results; further impacts to be assessed going forward
- Reiterate Shareholder return of €400mn expected in 2020; Dividend at €0.55/share

(€ mn)	Q1 '20	Q1 '19	Change
Revenues	941.1	908.6	+3.6%
Adjusted EBITDA	347.1	334.9	+3.6%
margin %	36.9%	36.9%	0pp
Adjusted EBITDA After Lease (AL)	322.1	308.3	+4.5%
margin %	34.2%	33.9%	+0.3pp
Operating profit/(loss) before financial and investing activities	157.5	133.3	+18.2%
Profit/(loss) to owners of the parent	103.2	61.9	+66.7%
Adj. Profit to owners of the parent	112.5	62.9	+78.9%
Basic EPS (€)	0.2195	0.1292	+69.9%
Total Assets	6,355.1	6,945.2	-8.5%
Adjusted Capex	166.4	176.1	-5.5%
Adjusted Free Cash Flow After Lease (AL)	132.9	35.6	-
Free Cash Flow After Lease (AL)	130.4	29.4	-
Cash & Other financial assets	1,109.3	1,000.8	+10.8%
Adjusted Net Debt (excluding leases)	540.8	732.2	-26.1%
Adjusted Net Debt	930.0	1,148.0	-19.0%

Note: The purpose and calculations of all 'Adjusted' data presented in this report are detailed in the Alternative Performance Measures Section.

Note: All figures (apart from Balance Sheet) adjusted to reflect only continuing operations; Albanian operations treated as discontinued operations.

### ATHENS, Greece – May 14, 2020 – Hellenic Telecommunications Organization SA

(ASE: HTO; OTC MARKET: HLTOY), the Greek full-service telecommunications provider, announced today consolidated results (prepared under IFRS) for the quarter ended March 31, 2020.

Commenting on OTE's 2020 first quarter, Michael Tsamaz, Chairman & CEO, noted: "Though it had a limited impact on our performance in the first quarter, the COVID-19 pandemic fundamentally changed our operations and our organization. From day one, we focused on ensuring the safety and wellbeing of all our people and our customers, but also on ensuring the continuity of our services, on which our communities rely more than ever before. I want to thank every member of the OTE family for the dedication they demonstrated in this emergency. Thanks to their hard work and our ongoing investments, OTE's networks responded flawlessly to an unprecedented surge and relocation of demand—in Greece, the daily data traffic we handled rose 50% in fixed, and nearly doubled in mobile, with no impact on quality or speed. We are committed to continue

supporting our residential and business customers, in the public and private sectors, to help speed up the recovery of our markets as soon as this emergency subsides.”

Mr. Tsamaz added: “While we cannot at this stage fully assess the impact this outbreak will have on our top line, I can assure you that OTE will work on all aspects of its cost base, to meet our stated profitability and cash flow targets. The current situation is validating and accelerating our transformation into a digital organization, and we intend to continue applying these lessons long after the crisis is gone.”

### **COVID-19**

The COVID-19 outbreak did not spare Greece, though its impact on OTE’s operations in Q1’20 remained limited.

The extent to which COVID-19 will affect the Company’s operations in coming quarters will largely depend on future developments and policy responses to the crisis. Potential reintroduction of restrictions recently relaxed could negatively impact the Company’s business performance, reducing revenues from telecommunications services, temporarily affecting its ability to collect receivables, and disrupting its supply chain. In particular, trends in such areas as B2B, ICT, mobile services, sales of handsets, and roaming are expected to be affected, or have already started feeling the impact of the COVID-19 crisis.

In addition, the pandemic should have a significant impact on global growth, and on Greece’s economy, largely dependent on tourism. Owing to their experience over the past decade, Greece and OTE are relatively well positioned to face a crisis whose lasting effects remain uncertain.

Management is closely monitoring the situation and its potential impact on the Company’s activities. The Company follows the guidance and decisions of all relevant agencies and adheres to the requirements and actions endorsed by the Greek authorities. In addition, OTE is proactively executing business-continuity and risk-containment strategies to mitigate any potential adverse impact of the crisis on the Company’s operations and financial conditions.

At the same time, OTE has implemented and offered financial support to a host of initiatives aimed at supporting the healthcare system and the communities in which the Group is active.

### **Outlook**

While the COVID-19 outbreak could negatively impact OTE Group revenues in Greece and Romania in Q2’20, the Company intends to implement stringent cost-reduction measures across all areas, to maintain its profitability and cash flow generation in 2020. OTE is set to pursue its journey of digitization and transformation, aiming to become even more agile, efficient and customer focused. Management reiterates its 2020 Adj. CAPEX (€600mn), adjusted Free Cash Flow (€610mn), and reported FCF (€350mn) objectives.

Taking into account the postponement of 2019 spectrum payment, 2020 shareholder remuneration should total €400mn, a substantial increase compared to last year, despite absorbing record levels of estimated spectrum payments and restructuring charges.

## **OTE GROUP HIGHLIGHTS**

The OTE Group’s consolidated revenues increased by 3.6% in Q1’20 to €941.1mn. In Greece, revenues were up 1.4%, driven by fixed and mobile data. In Romania, the 9.5% increase in revenues was primarily fueled by ICT-related projects and wholesale revenues, alongside sustained demand for broadband and improving trends in voice.

Total Operating Expenses, excluding depreciation, amortization, impairment and charges related to restructuring costs (primarily voluntary leave schemes) and non-recurring litigations, amounted to €605.1mn in Q1’20, a 3.7% increase versus Q1’19.

In Q1'20, the Group's Adjusted EBITDA After Lease (AL) increased by 4.5% to €322.1mn, yielding an Adjusted EBITDA (AL) margin of 34.2%, up 30 basis points. In Greece, Adjusted EBITDA After Lease (AL) rose 2.0% to €288.3mn, and the Adjusted EBITDA (AL) margin improved 30 basis points to 40.8%.

The Group reported an Operating profit before financial and investing activities of €157.5mn, compared to €133.3mn in Q1'19, reflecting lower Depreciation and Amortization as a result of the impairment on the Romanian assets in 2019.

The Group's Income Tax charge for Q1'20 amounted to €40.0mn, down from €46.4mn in Q1'19, reflecting the lower corporate income tax rate in Greece.

Adjusted Group profit after minority interests amounted to €112.5mn in Q1'20, compared to €62.9mn in Q1'19.

Adjusted Capital Expenditures amounted to €166.4mn in Q1'20, down 5.5% from Q1'19, with investments in Greece and Romania standing at €138.9mn and €27.5mn, respectively.

In Q1'20, the Group's Adjusted Free Cash Flow after lease reached €132.9mn, compared to €35.6mn in Q1'19, primarily reflecting the increase in Earnings before tax as well as significantly improved Working capital.

The Group's Adjusted Net Debt stood at €930.0mn at March 31, 2020, down 19.0% compared to Q1'19. The Group's ratio of Adjusted Net Debt to 12-month Adjusted EBITDA (AL) stood at 0.7x. The Group's Adjusted Net Debt (excluding leases) stood at €540.8mn and the ratio of Adjusted Net Debt to EBITDA (AL) was 0.4x.

Revenues (€mn)	Q1 '20	Q1 '19	Change
Greece	706.8	697.0	+1.4%
Romania	237.1	216.6	+9.5%
Eliminations	(2.8)	(5.0)	-44.0%
<b>OTE GROUP</b>	<b>941.1</b>	<b>908.6</b>	<b>+3.6%</b>

Adjusted EBITDA After Lease (AL) (€mn)	Q1 '20	Q1 '19	Change
Greece	288.3	282.6	+2.0%
Margin (%)	40.8%	40.5%	+0.3pp
Romania	33.8	25.7	+31.5%
Margin (%)	14.3%	11.9%	+2.4pp
<b>OTE GROUP</b>	<b>322.1</b>	<b>308.3</b>	<b>+4.5%</b>
<b>margin (%)</b>	<b>34.2%</b>	<b>33.9%</b>	<b>+0.3pp</b>

Note: Adjusted EBITDA (AL) is defined as Adjusted EBITDA deducting the Depreciation for the right-of-use assets and Interest expense on leases.

## GREECE

Operational Data	Q1'20	Q1'19	y-o-y change	Q1'20 net
Fixed lines access	2,650,863	2,647,449	+0.1%	4,724
Broadband subscribers	2,036,110	1,920,387	+6.0%	30,497
<i>of which fiber service*</i>	787,445	585,562	+34.5%	45,438
TV subscribers	556,696	540,349	+3.0%	1,710
Mobile Subscribers	7,343,419	7,702,634	-4.7%	(51,959)

*\*Including VDSL, FTTH Vectoring & Super Vectoring*

In Q1'20, the total Greek access market added 9k lines, while OTE achieved positive net additions of 5k access lines.

OTE posted strong net additions in retail broadband customers in the quarter, totaling 30k, to reach 2,036k. Broadband penetration has now reached 77% of OTE's fixed customer base. Penetration of OTE's high-speed fiber broadband service continued to make progress, with strong net additions of 45k in the quarter, supported by the expanding reach and quality of its network, as well as growing demand for residential broadband. In Q1'20, OTE's fiber offer had been adopted by 787k subscribers or 39% of total fixed broadband subscribers. OTE's fiber broadband customers who enjoy speeds of 50 Mbps or more have now reached 89%, versus just 65% in Q1'19, supporting ARPU and revenues. OTE has largely completed its planned deployment of FTTC cabinets, totaling about 16k, and is pursuing the expansion of its Fiber-to-the-home (FTTH) footprint.

Net additions from OTE's TV offering totaled 2k subscribers in the quarter. At March 31, 2020, the total number of TV subscribers was 557k, up 3.0% year-on-year. OTE is leveraging its new OTT proposition to strengthen its consumer offering.

As of March 31, 2020, COSMOTE provided mobile telephony services to 7.3mn customers in Greece, down 4.7% year on year, reflecting consolidation of multiple sim cards in the pre-paid segment.

In the second half of March, COSMOTE experienced unprecedented traffic volume across its networks as a result of COVID-19-related mobility restrictions. Fixed voice traffic surged by 45% and fixed data traffic by 50%, while mobile data traffic increased by 90%, also a result of a free 15GB offering to support social needs, and TV on demand viewership increased by 70%. All services performed without interruption or deterioration in quality.

(€ mn)	Q1 '20	Q1 '19	Change
<b>Revenues</b>	<b>706.8</b>	<b>697.0</b>	<b>+1.4%</b>
<i>Retail Fixed Services</i>	234.4	231.3	+1.3%
<i>Mobile Service Revenues</i>	222.4	215.2	+3.3%
<i>Wholesale Services</i>	138.0	140.7	-1.9%
<i>Other Revenues</i>	112.0	109.8	+2.0%
<b>Adjusted EBITDA After Lease (AL)</b>	<b>288.3</b>	<b>282.6</b>	<b>+2.0%</b>
<b>Adjusted EBITDA (AL) margin (%)</b>	<b>40.8%</b>	<b>40.5%</b>	<b>+0.3pp</b>

In Greece, total revenues rose 1.4% to reach €706.8mn in Q1'20. Retail fixed service revenues grew by 1.3%, fueled by ongoing growth in broadband. Wholesale revenues were down 1.9% in the quarter, due to lower interconnection traffic at OTE Globe, partly offset by growth in fiber adoption by other operators.

ICT revenues rose more than 20% in the quarter mainly driven by "smart-cities" projects. While COVID-19 may slow this segment in coming quarters, the need for high-quality digital services is now well established, and demand is likely to accelerate in the medium term.

In Mobile, COSMOTE service revenues were up 3.3% in the quarter. The positive trend in post-paid gained further momentum, with revenues up 2.5%. The pace of growth in pre-paid, up nearly 7%, was slower than in recent quarters, reflecting the early impact of stay-at-home orders in March.

Data revenue grew by an impressive 32%, extending the strong 2019 performance, fueled by attractive offers under the more-for-more concept and despite free data offers provided to our customer base during the lockdown period.

Total Adjusted EBITDA After Lease (AL) in Greece was up 2.0% in the quarter at €288.3mn, yielding a strong margin of 40.8%.

## ROMANIA

Operational Data	Q1'20	Q1'19	y-o-y change	Q1'20 net adds
Fixed line Subscribers	1,190,646	1,403,336	-15.2%	(56,102)
Broadband Subscribers	977,492	1,077,816	-9.3%	(36,698)
TV subscribers	1,267,082	1,408,947	-10.1%	(52,914)
FMC Subscribers*	856,660	774,062	+10.7%	7,285
Mobile Subscribers	3,909,068	4,646,599	-15.9%	(157,762)

\*Including CDMA

(€ mn)	Q1'20	Q1'19	Change
<b>Revenues</b>	<b>237.1</b>	<b>216.6</b>	<b>+9.5%</b>
Retail Fixed Services	56.5	57.8	-2.2%
Mobile Service Revenues	73.3	76.2	-3.8%
Wholesale Services	35.5	27.1	+31.0%
Other Revenues	71.8	55.5	+29.4%
<b>Adjusted EBITDA After Lease (AL)</b>	<b>33.8</b>	<b>25.7</b>	<b>+31.5%</b>
<b>Adjusted EBITDA (AL) margin (%)</b>	<b>14.3%</b>	<b>11.9%</b>	<b>+2.4pp</b>

In Q1'20, total revenues from Romania were up 9.5% to €237.1mn, primarily driven by the completion of major ICT related projects and higher wholesale.

Revenues from Retail Fixed Services totaled €56.5mn, down 2.2%. Trends are continuing to improve quarter after quarter and are expected to return into positive territory, fueled by strong broadband performances as a result of the company's higher-speed offerings and pricing initiatives.

Mobile Service Revenues totaled €73.3mn, down 3.8%, moving closer to stabilization. The decline was primarily related to roaming and interconnection, while data revenue increased by over 15%. Ongoing programs aimed at encouraging subscribers to switch to post-paid, paired with pricing and upselling initiatives, led to an almost double-digit increase in ARPU.

The FMC customer base grew by nearly 11% to 857k, reaffirming Telekom Romania's market leadership in this segment. FMC mobile service revenues were up 14.4% compared to Q1'19. In addition, FMS services continue to gain acceptance, having reached 48k customers at the end of the quarter with very positive customer satisfaction feedback.

Revenues from Wholesale Services were up 31.0% from Q1'19, mainly due to higher international transit traffic.

Other revenues grew substantially in the quarter, with revenues from ICT solutions up about €20 million higher from Q1'19, primarily driven from "WiFi to School" project.

The Company is stepping up initiatives to reduce indirect costs, notably through outsourcing of its TV business and fleet management. Personnel costs were down nearly 14% from Q1'19.

Adjusted EBITDA After Lease (AL) reached €33.8mn in Q1'20, as a result of improved revenues and cost efficiencies. The Company's recurring efforts to improve cash conversion through tighter monitoring of receivables and inventories has led to a substantial improvement in Adjusted Free Cash Flow After Lease, up nearly €65mn in Q1'20.

Following the COVID-19 outbreak, the Company has observed a material increase in traffic over its networks but has successfully managed increased demand without any notable reduction in service levels. Lower sales activity was accompanied by a proportionate reduction in churn. The Company expects that the outbreak will impact several of its revenue lines, notably the B2B segment, sales of handsets, and roaming, while collection risks could increase. The Company has adopted a set of measures, notably on the cost side, that should help mitigate the potential impact on cash generation.

## SIGNIFICANT EVENTS OF THE QUARTER

### **Dividend and Share Buyback**

The Board of Directors of OTE will propose to the Company's Annual General Assembly of Shareholders the distribution of a dividend of Euro 0.55 (in absolute amount) per share outstanding. The corresponding dividend payout, i.e. €258.6mn, represents 65% of the total amount to be allocated under the Shareholders Remuneration Policy for 2020.

In addition, the dividends corresponding to any own shares will increase the dividend of the other shareholders according to the law.

It is further noted that the remaining amount, i.e. approximately Euro 141.4mn or 35% of the total amount to be allocated under the Shareholders Remuneration Policy for 2020, will be used for the buyback of Company shares under the new Share Buyback Program, as approved by the Extraordinary General Shareholders' Meeting of February 20, 2020.

### **Cancellation of Own Shares and Share Buyback Program**

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

The Extraordinary Shareholders' General Meeting of February 20, 2020, approved the cancellation of a total number of 9,764,743 own shares, of a nominal value of €2.83 each, purchased under the 2018-2019 Program and held by the Company as of February 18, 2020, representing 2.035% of its share capital. Consequently, the Shareholders Meeting approved the reduction of €27,634,222.69 (equivalent to the above number of own shares multiplied by the nominal value of the Company's share) of the Company's share capital, together with the amendment of Article 5 ("Share Capital") of the Company's Articles of Incorporation.

On March 23, 2020, following notification to the Corporate Actions Committee of the Athens Stock Exchange and other legal and regulatory procedures, the aforementioned shares were canceled and delisted from the Athens Exchange effective March 27, 2020.

Furthermore, at the Extraordinary General Meeting of Shareholders of February 20, 2020 a new Own Share Buyback Program for a 24-month duration has been approved, under the Shareholders Remuneration Policy approved by the Company's Board of Directors and for the partial implementation thereof (i.e. on top of dividend distribution).



**About OTE**

OTE Group is the largest telecommunications provider in the Greek market and one of the leading telecom groups in Southeast Europe with presence in Greece and Romania. OTE is among the largest listed companies, with respect to market capitalization, in the Athens Stock Exchange.

OTE Group offers the full range of telecommunications services: from fixed-line and mobile telephony, broadband services, to pay television and ICT solutions. In addition to its core telecommunications activities, the Group is also involved in maritime communications, real-estate, insurance distribution and professional training.

Additional Information is also available on: <https://www.cosmote.gr>

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**Forward looking Disclaimer:**

Certain statements in this document constitute forward-looking statements. Such forward looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. OTE will not update such statements on a regular basis. As a result, you are cautioned not to place any reliance on such forward-looking statements. Nothing in this document should be construed as a profit forecast and no representation is made that any of these statement or forecasts will come to pass. Persons receiving this announcement should not place undue reliance on forward-looking statements and are advised to make their own independent analysis and determination with respect to the forecast periods, which reflect the Group's view only as of the date hereof.

**Exhibits to follow:**

- I. Alternative Performance Measures "APMs"
- II. Consolidated Statements of Financial Position as of March 31, 2020 and December 31, 2019
- III. Consolidated Income Statements for the quarter ended March 31, 2020 and comparative 2019
- IV. Group Revenues for the quarter ended March 31, 2020 and comparative 2019
- V. Consolidated Statement of Cash Flows for the quarter ended March 31, 2020 and comparative 2019

**Note: All figures (Apart from Balance Sheet) adjusted to reflect only continuing operations - Albanian operations treated as discontinued operations.**



## I. ALTERNATIVE PERFORMANCE MEASURES "APMs"

The Group uses certain Alternative Performance Measures ("APMs") in making financial, operating and planning decisions as well as in evaluating and reporting its performance. These APMs provide additional insights and understanding to the Group's underlying operating and financial performance, financial condition and cash flow. The APMs should be read in conjunction with and do not replace by any means the directly reconcilable IFRS line items.

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

#### Alternative Performance Measures ("APMs")

In discussing the performance of the Group, Alternative Performance Measures ("APMs") are used such as: EBITDA and the respective margin %, Net Debt, CapEx and Free Cash Flow. The definitions and the calculations of these are presented in this section below. Furthermore "Adjusted" measures are used such as: Adjusted EBITDA and the respective margin %, Adjusted Net Debt, Adjusted CapEx and Adjusted Free Cash Flow. These are calculated by deducting from the performance measures deriving from directly reconcilable amounts of the Consolidated Statement of Financial Position (Exhibit II), Consolidated Income Statement (Exhibit III) and Consolidated Statement of Cash Flow (Exhibit V), the impact of costs or payments related to voluntary leave schemes, costs or payments for restructuring plans and non-recurring litigations and Spectrum acquisitions.

#### Costs or payments related to Voluntary Leave Schemes

Costs or payments related to Voluntary Leave Schemes comprise the exit incentives provided to employees and the contributions to the social security fund to exit/retire employees before conventional retirement age. These costs are included within the income statement as well as within the cash flow statement lines "costs related to voluntary leave schemes" and "payment for voluntary leave schemes". However, they are excluded from the adjusted results in order for the user to obtain a better understanding of the Group's operating and financial performance achieved from ongoing activity.

#### Costs or payments related to other restructuring plans and non-recurring litigations

Other restructuring costs and non-recurring litigations comprise non-ongoing activity related costs arising from significant changes in the way the Group conducts business and non-recurring legal expenses. These costs are included in the Group's income statement, while the payment of these expenses is included in the cash flow statement. However, they are excluded from the adjusted results in order for the user to obtain a better understanding of the Group's operating and financial performance achieved from ongoing activity.

#### Spectrum acquisition payments

Spectrum payments comprise the amounts paid to acquire rights (licenses) through auctions run by the National Regulator to transmit signals over specific bands of the electromagnetic spectrum. As those payments are of significant size and of irregular timing, it is a common industry practice to be excluded for the calculation of the Adjusted Free Cash Flow and Adjusted Capital Expenditure (CapEx) in order to facilitate comparability with industry peers.

#### Net Debt

Net Debt is an APM used by management to evaluate the Group's capital structure and leverage. Net Debt is defined as short-term borrowings plus long-term borrowings plus short-term portion of long-term borrowings less cash and cash equivalents as illustrated in the table below. Following the adoption of IFRS 16, financial liabilities related to leases are included in the calculation of Net Debt from 2019 onwards.

#### Adjusted Net Debt

Adjusted Net Debt is used by management to evaluate the Group's capital structure and leverage defined as Net Debt including other financial assets as they are highly liquidity assets. The calculations are described in the table below:

OTE Group - Amounts in € mn	31/03/2020	31/03/2019	Change
Long-term borrowings	985.2	1,246.4	-21.0%
Short-term portion of long-term borrowings	664.9	483.7	+37.5%
Short-term borrowings	-	2.9	-
Lease liabilities (long-term portion)	327.3	347.0	-5.7%
Lease liabilities (short-term portion)	61.9	68.8	-10.0%
Cash and cash equivalents	(1,104.5)	(995.4)	+11.0%
<b>Net Debt</b>	<b>934.8</b>	<b>1,153.4</b>	<b>-19.0%</b>
Other financial assets	(4.8)	(5.4)	-11.1%
<b>Adjusted Net Debt</b>	<b>930.0</b>	<b>1,148.0</b>	<b>-19.0%</b>

### Net Debt & Adjusted Net Debt excluding leases

Net debt and Adjusted Net Debt excluding leases are used by management to evaluate the Group's capital structure and leverage excluding financial liabilities related to leases for comparability purposes with prior years. They are defined as Net Debt and adjusted Net Debt (described above) deducting financial liabilities related to leases as described below:

OTE Group - Amounts in € mn	31/03/2020	31/03/2019	Change
<b>Net Debt</b>	<b>934.8</b>	<b>1,153.4</b>	<b>-19.0%</b>
Lease liabilities (long-term portion)	(327.3)	(347.0)	-5.7%
Lease liabilities (short-term portion)	(61.9)	(68.8)	-10.0%
<b>Net Debt excluding leases</b>	<b>545.6</b>	<b>737.6</b>	<b>-26.0%</b>
Other financial assets	(4.8)	(5.4)	-11.1%
<b>Adjusted Net Debt excluding leases</b>	<b>540.8</b>	<b>732.2</b>	<b>-26.1%</b>

### EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)

EBITDA is intended to provide useful information to analyze the Group's operating performance. EBITDA is defined as total revenues plus other operating income less total operating expenses before depreciation, amortization and impairment, as illustrated in the table below. EBITDA margin (%) is defined as EBITDA divided by total revenues.

### Adjusted EBITDA (Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations)

Adjusted EBITDA is intended to provide useful information to analyze the Group's operating performance excluding the impact of costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations. Adjusted EBITDA is defined as EBITDA adding back costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations, as illustrated in the table below. Adjusted EBITDA margin (%) is defined as Adjusted EBITDA divided by total revenues.

OTE Group - Amounts in € mn	Q1'20	Q1'19	Change
Total Revenues	941.1	908.6	+3.6%
Other Operating Income	11.1	10.0	+11.0%
Total operating expenses before depreciation, amortization and impairment	(622.2)	(585.4)	+6.3%
<b>EBITDA</b>	<b>330.0</b>	<b>333.2</b>	<b>-1.0%</b>
<b>margin %</b>	<b>35.1%</b>	<b>36.7%</b>	<b>-1.6pp</b>
Costs related to voluntary leave schemes	1.9	1.7	+11.8%
Other restructuring and non-recurring litigations	15.2	-	-
<b>Adjusted EBITDA</b>	<b>347.1</b>	<b>334.9</b>	<b>+3.6%</b>
<b>margin %</b>	<b>36.9%</b>	<b>36.9%</b>	<b>0pp</b>

## EBITDA After Lease (AL) (Earnings before Interest, Taxes, Depreciation and Amortization After Lease)

EBITDA (AL) is intended to provide useful information to analyze the Group's operating performance. EBITDA (AL) is defined as EBITDA deducting the depreciation and interest expense of leases, as illustrated in the table below. EBITDA (AL) margin (%) is defined as EBITDA (AL) divided by total revenues.

## Adjusted EBITDA After Lease (AL) (Operating profit before financial and investing activities, depreciation, amortization and impairment, costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations After Lease)

Adjusted EBITDA (AL) is intended to provide useful information to analyze the Group's operating performance. Adjusted EBITDA (AL) is defined as EBITDA (AL) adding back costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations, as illustrated in the table below. Adjusted EBITDA (AL) margin (%) is defined as Adjusted EBITDA (AL) divided by total revenues.

OTE Group - Amounts in € mn	Q1'20	Q1'19	Change
<b>EBITDA</b>	<b>330.0</b>	<b>333.2</b>	<b>-1.0%</b>
<b>margin %</b>	<b>35.1%</b>	<b>36.7%</b>	<b>-1.6pp</b>
Depreciation for the right-of-use assets	(19.7)	(21.0)	-6.2%
Interest expense on leases	(5.3)	(5.6)	-5.4%
<b>EBITDA After Lease (AL)</b>	<b>305.0</b>	<b>306.6</b>	<b>-0.5%</b>
<b>margin %</b>	<b>32.4%</b>	<b>33.7%</b>	<b>-1.3pp</b>
Costs related to voluntary leave schemes	1.9	1.7	+11.8%
Other restructuring costs and non-recurring litigations	15.2	-	-
<b>Adjusted EBITDA After Lease (AL)</b>	<b>322.1</b>	<b>308.3</b>	<b>+4.5%</b>
<b>margin %</b>	<b>34.2%</b>	<b>33.9%</b>	<b>+0.3pp</b>

Greece - Amounts in € mn	Q1'20	Q1'19	Change
<b>EBITDA</b>	<b>305.5</b>	<b>300.2</b>	<b>+1.8%</b>
<b>margin %</b>	<b>43.2%</b>	<b>43.1%</b>	<b>+0.1pp</b>
Depreciation for the right-of-use assets	(13.0)	(13.1)	-0.8%
Interest expense on leases	(4.4)	(4.5)	-2.2%
<b>EBITDA After Lease (AL)</b>	<b>288.1</b>	<b>282.6</b>	<b>+1.9%</b>
<b>margin %</b>	<b>40.8%</b>	<b>40.5%</b>	<b>+0.3pp</b>
Costs related to voluntary leave schemes	0.2	-	-
Other restructuring costs and non-recurring litigations	-	-	-
<b>Adjusted EBITDA After Lease (AL)</b>	<b>288.3</b>	<b>282.6</b>	<b>+2.0%</b>
<b>margin %</b>	<b>40.8%</b>	<b>40.5%</b>	<b>+0.3pp</b>

Romania - Amounts in € mn	Q1'20	Q1'19	Change
<b>EBITDA</b>	<b>24.5</b>	<b>33.1</b>	<b>-26.0%</b>
<b>margin %</b>	<b>10.3%</b>	<b>15.3%</b>	<b>-5pp</b>
Depreciation for the right-of-use assets	(6.7)	(8.0)	-16.3%
Interest expense on leases	(0.9)	(1.1)	-18.2%
<b>EBITDA After Lease (AL)</b>	<b>16.9</b>	<b>24.0</b>	<b>-29.6%</b>
<b>margin %</b>	<b>7.1%</b>	<b>11.1%</b>	<b>-4.0pp</b>
Costs related to voluntary leave schemes	1.7	1.7	0%
Other restructuring costs and non-recurring litigations	15.2	-	-
<b>Adjusted EBITDA After Lease (AL)</b>	<b>33.8</b>	<b>25.7</b>	<b>+31.5%</b>
<b>margin %</b>	<b>14.3%</b>	<b>11.9%</b>	<b>+2.4pp</b>

## Adjusted Profit to owners of the parent

Adjusted Profit for the period attributable to owners of the parent is intended to provide useful information to analyze the Group's net profitability excluding the impact of significant non-recurring or irregularly recorded items in order to facilitate comparability with previous ongoing performance. Adjusted Profit for the period (attributable to owners of the parent) is calculated by adding back to the Profit of the period (attributable to owners of the parent) the impact upon it of the following items: costs related to voluntary leave schemes, net impact from impairments and write offs, reassessment of deferred tax, reversal of provision related to assets sales, other restructuring costs, non-recurring litigation expenses, gains from disposal of subsidiaries, effect of changes to tax rate, tax effect from deductible investment losses and intercompany dividends and tax effect from deductible provisions of prior years, as illustrated in the table below:

Amounts in € mn – After Tax impact	Q1'20	Q1'19	Change
<b>Profit to owners of the Parent from continuing operations (reported)</b>	<b>103.2</b>	<b>61.9</b>	<b>+66.7%</b>
Costs related to voluntary leave schemes	1.1	1.0	+10.0%
Other restructuring & non-recurring litigations	8.2	-	-
Net Impact from Impairments & Write offs	-	-	-
Tax effect from deductible investment losses/ Intercompany dividends	-	-	-
Tax effect from deductible provisions of prior years	-	-	-
Gain from disposal of subsidiary	-	-	-
Reversal of provision related to Assets Sales	-	-	-
Effect due to change in the income tax rates	-	-	-
<b>Adjusted Profit to owners of the parent</b>	<b>112.5</b>	<b>62.9</b>	<b>+78.9%</b>

## Capital expenditure (CAPEX) and Adjusted Capital expenditure

Capital expenditure is defined as payments for purchase of property plant and equipment and intangible assets. The Group uses capital expenditure to ensure that the cash spending is in line with its overall strategy for the use of cash. Adjusted capital expenditure is calculated by excluding from Capital expenditure, spectrum payments as illustrated in the table below:

OTE Group - Amounts in € mn	Q1'20	Q1'19	Change
Purchase of property plant and equipment and intangible assets - CAPEX	(166.4)	(176.1)	-5.5%
Spectrum Payments	-	-	-
<b>Adjusted CAPEX</b>	<b>(166.4)</b>	<b>(176.1)</b>	<b>-5.5%</b>

## Free Cash Flow (FCF)

Free Cash Flow is an APM used by the Group and is defined as cash generated by operating activities (excluding net cash flows from operating activities of discontinued operations), after payments for purchase of property plant and equipment and intangible assets (CAPEX) and adding the interest received. Free Cash Flow is intended to measure the cash generation from the Group's business, based on operating activities, including the efficient use of working capital and taking into account its payments for purchases of property plant and equipment and intangible assets. The Group presents Free Cash Flow because it believes the measure assists users of the financial accounts in understanding the Group's cash generating performance as well as availability for debt repayment, dividend distribution and own reserves.

## Free Cash Flow After Lease (AL)

Free Cash Flow After Lease is defined as Free Cash Flow adding the lease repayments.

OTE Group - Amounts in € mn	Q1'20	Q1'19	Change
Net cash flows from operating activities -Total	314.9	221.5	+42.2%
Minus: Net cash flows from operating activities of discontinued operations	-	(4.3)	-100.0%
Interest received	0.6	0.6	0%
Purchase of property, plant, equipment & intangible assets	(166.4)	(176.1)	-5.5%
<b>Free Cash Flow</b>	<b>149.1</b>	<b>50.3</b>	<b>+196.4%</b>
Lease repayments	(18.7)	(20.9)	-10.5%
<b>Free Cash Flow After Lease (AL)</b>	<b>130.4</b>	<b>29.4</b>	<b>-</b>

## Adjusted Free Cash Flow

Adjusted Free Cash Flow facilitates comparability of Cash Flow generation with industry peers. Adjusted Free Cash Flow is useful in connection with discussions with the investment analyst community and debt rating agencies. Adjusted Free Cash Flow is calculated by excluding from the Free Cash Flow (defined earlier) the payments related to voluntary leave schemes, other restructuring plans and non-recurring litigation expenses and spectrum.

## Adjusted Free Cash Flow After Lease (AL)

Adjusted Free Cash Flow After Lease is defined as Adjusted Free Cash Flow adding the lease repayments.

OTE Group - Amounts in € mn	Q1'20	Q1'19	Change
<b>Free Cash Flow</b>	<b>149.1</b>	<b>50.3</b>	<b>+196.4%</b>
Payment for voluntary leave schemes	2.1	5.8	-63.8%
Payment for restructuring and non-recurring litigations	0.4	0.4	0%
Spectrum payments	-	-	-
<b>Adjusted FCF</b>	<b>151.6</b>	<b>56.5</b>	<b>+168.3%</b>
Lease repayments	(18.7)	(20.9)	-10.5%
<b>Adjusted FCF After Lease (AL)</b>	<b>132.9</b>	<b>35.6</b>	<b>-</b>

## II. GROUP CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in €mn	31/03/2020	31/12/2019
<b>ASSETS</b>		
<b>Non - current assets</b>		
Property, plant and equipment	2,308.9	2,341.3
Right-of-use assets	408.3	418.6
Goodwill	376.6	376.6
Telecommunication licenses	376.4	383.6
Other intangible assets	350.0	367.9
Investments	0.1	0.1
Loans to pension funds	75.0	75.9
Deferred tax assets	280.2	280.3
Contract costs	40.4	42.9
Other non-current assets	111.3	91.7
<b>Total non - current assets</b>	<b>4,327.2</b>	<b>4,378.9</b>
<b>Current assets</b>		
Inventories	63.6	51.3
Trade receivables	610.6	592.5
Other financial assets	4.8	5.7
Contract assets	35.3	37.8
Other current assets	206.8	229.2
Restricted Cash	2.3	2.3
Cash and cash equivalents	1,104.5	1,058.3
<b>Total current assets</b>	<b>2,027.9</b>	<b>1,977.1</b>
<b>TOTAL ASSETS</b>	<b>6,355.1</b>	<b>6,356.0</b>

Amounts in €mn	31/03/2020	31/12/2019
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	1,330.6	1,358.2
Share premium	476.8	486.6
Treasury shares	(12.1)	(110.3)
Statutory reserve	415.1	415.1
Foreign exchange and other reserves	(183.8)	(187.5)
Changes in non-controlling interests	(3,314.1)	(3,314.1)
Retained earnings	3,423.5	3,404.0
<b>Total equity attributable to owners of the Parent</b>	<b>2,136.0</b>	<b>2,052.0</b>
Non-controlling interests	127.5	131.1
<b>Total equity</b>	<b>2,263.5</b>	<b>2,183.1</b>
<b>Non-current liabilities</b>		
Long-term borrowings	985.2	996.4
Provision for staff retirement indemnities	179.6	186.7
Provision for youth account	117.9	121.4
Contract liabilities	36.5	38.4
Lease liabilities	327.3	334.5
Deferred tax liabilities	16.4	16.6
Other non – current liabilities	42.6	60.5
<b>Total non – current liabilities</b>	<b>1,705.5</b>	<b>1,754.5</b>
<b>Current liabilities</b>		
Trade accounts payable	897.9	936.0
Short-term borrowings	-	8.9
Short-term portion of long-term borrowings	664.9	707.5
Income tax payable	37.7	16.2
Contract liabilities	128.2	134.6
Lease liabilities	61.9	62.9
Provision for voluntary leave schemes	139.2	139.3
Dividends payable	1.5	1.5
Other current liabilities	454.8	411.5
<b>Total current liabilities</b>	<b>2,386.1</b>	<b>2,418.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,355.1</b>	<b>6,356.0</b>



### III. CONSOLIDATED INCOME STATEMENT

Amounts in € mn	Q1'20	Q1'19	%
<b>Total revenues</b>	<b>941.1</b>	<b>908.6</b>	<b>3.6%</b>
<b>Other operating income</b>	<b>11.1</b>	<b>10.0</b>	<b>11.0%</b>
<b>Operating expenses</b>			
Interconnection and roaming costs	(132.7)	(132.3)	0.3%
Provision for doubtful accounts	(23.2)	(25.5)	-9.0%
Personnel costs	(144.8)	(150.5)	-3.8%
Costs related to voluntary leave schemes	(1.9)	(1.7)	11.8%
Commission costs	(25.5)	(21.9)	16.4%
Merchandise costs	(89.2)	(75.8)	17.7%
Maintenance and repairs	(23.0)	(22.3)	3.1%
Marketing	(19.3)	(18.9)	2.1%
Other operating expenses	(162.6)	(136.5)	19.1%
<b>Total operating expenses before depreciation, amortization and impairment</b>	<b>(622.2)</b>	<b>(585.4)</b>	<b>6.3%</b>
<b>Operating profit before financial and investing activities, depreciation, amortization and impairment</b>	<b>330.0</b>	<b>333.2</b>	<b>-1.0%</b>
Depreciation, amortization and impairment	(172.5)	(199.9)	-13.7%
<b>Operating profit/(loss) before financial and investing activities</b>	<b>(157.5)</b>	<b>133.3</b>	<b>18.2%</b>
<b>Income and expense from financial and investing activities</b>			
Interest and related expenses	(17.5)	(25.8)	-32.2%
Interest income	0.5	0.6	-16.7%
Foreign exchange differences, net	1.2	(5.6)	-
Gains / (losses) from investments and other financial assets - Impairment	(0.9)	0.3	-
<b>Total Profit/(loss) from financial and investing activities</b>	<b>(16.7)</b>	<b>(30.5)</b>	<b>-45.2%</b>
<b>Profit/(loss) before tax</b>	<b>140.8</b>	<b>102.8</b>	<b>37.0%</b>
Income tax	(40.0)	(46.4)	-13.8%
<b>Profit/(loss) for the period from continuing operations</b>	<b>100.8</b>	<b>56.4</b>	<b>78.7%</b>
Profit/(loss) from discontinued operations	-	11.0	-
<b>Profit/(loss) for the period</b>	<b>100.8</b>	<b>67.4</b>	<b>49.6%</b>
Attributable to:			
<b>Owners of the parent</b>	<b>103.2</b>	<b>72.9</b>	<b>+41.6%</b>
<i>Profit/(loss) from continuing operations</i>	<i>103.2</i>	<i>61.9</i>	<i>+66.7%</i>
<i>Profit/(loss) from discontinued operations</i>	<i>-</i>	<i>11.0</i>	<i>-</i>
<b>Non-controlling interests</b>	<b>(2.4)</b>	<b>(5.5)</b>	<b>-56.4%</b>

## IV. GROUP REVENUES

Amounts in € mn	Q1'20	Q1'19	%
<b>Revenue</b>			
<b>Fixed business:</b>			
Retail services revenues	290.9	289.2	0.6%
Wholesale services revenues	173.1	167.2	3.5%
Other revenues	96.3	69.6	38.4%
<b>Total revenues from fixed business</b>	<b>560.3</b>	<b>526.0</b>	<b>6.5%</b>
<b>Mobile business:</b>			
Service revenues	295.7	291.3	1.5%
Handset revenues	50.0	57.5	-13.0%
Other revenues	4.7	5.7	-17.5%
<b>Total revenues from mobile business</b>	<b>350.4</b>	<b>354.5</b>	<b>-1.2%</b>
<b>Miscellaneous other revenues</b>	<b>30.4</b>	<b>28.1</b>	<b>8.2%</b>
<b>Total revenues</b>	<b>941.1</b>	<b>908.6</b>	<b>3.6%</b>

## V. CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in € mn	Q1'20	Q1'19	%
<b>Cash flows from operating activities</b>			
Profit before tax	140.8	102.8	37.0%
Adjustments for:			
Depreciation, amortization and impairment	172.5	199.9	-13.7%
Costs related to voluntary leave schemes	1.9	1.7	11.8%
Provision for staff retirement indemnities	1.5	1.4	7.1%
Provision for youth account	0.7	0.6	16.7%
Foreign exchange differences, net	(1.2)	5.6	-
Interest income	(0.5)	(0.6)	-16.7%
(Gains) / losses from investments and other financial assets- Impairment	0.9	(0.3)	-
Interest and related expenses	17.5	25.8	-32.2%
<b>Working capital adjustments:</b>	<b>(4.3)</b>	<b>(78.7)</b>	<b>-94.5%</b>
Decrease / (increase) in inventories	(12.6)	6.7	-
Decrease / (increase) in receivables	(41.2)	(10.2)	-
(Decrease) / increase in liabilities (except borrowings)	49.5	(75.2)	-
Plus /(Minus):			
Payment for voluntary leave schemes	(2.1)	(5.8)	-63.8%
Payment of staff retirement indemnities and youth account, net of employees' contributions	(3.1)	(2.7)	14.8%
Interest and related expenses paid (except leases)	(4.3)	(7.8)	-44.9%
Interest paid for leases	(5.3)	(5.6)	-5.4%
Income tax paid	(0.1)	(10.5)	-99.0%
Net cash flows from operating activities of discontinued operations	-	(4.3)	-
<b>Net cash flows from operating activities</b>	<b>314.9</b>	<b>221.5</b>	<b>42.2%</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries	-	(0.7)	-
Repayment of loans receivable	1.8	1.8	0.0%
Purchase of property, plant and equipment and intangible assets	(166.4)	(176.1)	-5.5%
Interest received	0.6	0.6	0.0%
Net cash flows from investing activities of discontinued operations	-	(3.0)	-
<b>Net cash flows from/(used in) investing activities</b>	<b>(164.0)</b>	<b>(177.4)</b>	<b>-7.6%</b>
<b>Cash flows from financing activities</b>			
Acquisition of treasury shares	(21.7)	(14.0)	55.0%
Proceeds from loans granted and issued	11.5	2.9	-
Repayment of loans	(75.0)	(99.6)	-24.7%
Lease repayments	(18.7)	(20.9)	-10.5%
Net cash flows from financing activities of discontinued operations	-	(0.6)	-
<b>Net cash flows used in financing activities</b>	<b>(103.9)</b>	<b>(132.2)</b>	<b>-21.4%</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>47.0</b>	<b>(88.1)</b>	<b>-</b>
<b>Cash and cash equivalents, at the beginning of the period</b>	<b>1,058.3</b>	<b>1,084.7</b>	<b>-2.4%</b>
Net foreign exchange differences	(0.8)	(1.2)	-33.3%
<b>Cash and cash equivalents, at the end of the period</b>	<b>1,104.5</b>	<b>995.4</b>	<b>11.0%</b>