

OTE GROUP REPORTS 2020 SECOND QUARTER RESULTS

- Group revenues at €918mn, down 3.0%, as pandemic weighs on certain revenue lines
- Increase in Group Adj. EBITDA (AL), up 0.8%, on sharp reduction in operating expenses
- Greece total revenues down 3.8%
 - Lockdown drives 8.8% mobile service revenue drop, nearly half of which due to roaming
 - Fixed retail down 0.9%, supported by continuing broadband growth
 - Adj. EBITDA (AL) at €285mn, down just 1.7%, on effective cost control
- Romania revenues down 1.0%
 - Another increase in ICT revenues
 - Sharp increase in Adj. EBITDA (AL), up 25.7%, against favorable base
- Adj. FCF (€185mn) up 7.0% from Q2'19
- Reiterate 2020 reported Free Cash Flow target of €350mn

(€ mn)	Q2 '20	Q2 '19	Change	6M '20	6M'19	Change
Revenues	918.2	946.9	-3.0%	1,859.3	1,855.5	+0.2%
Adjusted EBITDA	343.5	345.0	-0.4%	690.6	679.9	+1.6%
<i>margin %</i>	<i>37.4%</i>	<i>36.4%</i>	<i>+1.0pp</i>	<i>37.1%</i>	<i>36.6%</i>	<i>+0.5pp</i>
Adjusted EBITDA After Lease (AL)	321.3	318.8	+0.8%	643.4	627.1	+2.6%
<i>margin %</i>	<i>35.0%</i>	<i>33.7%</i>	<i>+1.3pp</i>	<i>34.6%</i>	<i>33.8%</i>	<i>+0.8pp</i>
Operating profit/(loss) before financial and investing activities	137.7	19.6	-	295.2	152.9	+93.1%
Profit/(loss) to owners of the parent	77.8	37.6	+106.9%	181.0	99.5	+81.9%
Adj. Profit to owners of the parent	118.4	98.5	+20.2%	230.9	161.4	+43.1%
Basic EPS (€)	0.1664	0.0788	+111.2%	0.3861	0.2080	+85.6%
Total Assets	6,687.0	6,861.8	-2.5%	6,687.0	6,861.8	-2.5%
Adjusted Capex	151.1	178.1	-15.2%	317.5	354.2	-10.4%
Adjusted Free Cash Flow After Lease (AL)	184.8	172.7	+7.0%	317.7	208.3	+52.5%
Free Cash Flow After Lease (AL)	125.0	128.5	-2.7%	255.4	157.9	+61.7%
Cash & Other financial assets	1,534.0	1,129.4	+35.8%	1,534.0	1,129.4	+35.8%
Adjusted Net Debt (excluding leases)	453.2	601.6	-24.7%	453.2	601.6	-24.7%
Adjusted Net Debt	847.7	1,012.4	-16.3%	847.7	1,012.4	-16.3%

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 in 2019.

ATHENS, Greece – August 06, 2020 – Hellenic Telecommunications Organization SA

(ASE: HTO; OTC MARKET: HLTOY), the Greek full-service telecommunications provider, announced today audited consolidated results (prepared under IFRS) for the quarter ended June 30, 2020.

Commenting on OTE's 2020 second quarter, Michael Tsamaz, Chairman & CEO, noted: "The second quarter bears the marks of the COVID-19 pandemic on some of our revenue lines. Drastic travel and mobility restrictions are affecting our revenue streams both directly, through lower visitor roaming, and indirectly, as they hurt many businesses dependent on tourism and consumers stayed at home. As a result, mobile and pay-TV revenues were impacted negatively. Many clients have been hit by the crisis, and we demonstrated our solidarity while maintaining the highest level of service to all our customers, in their homes and in their workplaces. I thank all our associates for their hard work in this difficult period."

Mr. Tsamaz added: "In both Greece and Romania, with proactive measures to support the recovery of our operations, we are working hard to keep top-line erosion to a minimum, and to mitigate its impact on our profitability, while maintaining and even intensifying our investments in our digital transformation. We remain fully committed to the shareholder remuneration policy we have communicated."

Outlook

The COVID-19 pandemic is expected to continue negatively impacting OTE Group revenues in Greece and Romania in the second half of the year. In particular, trends in such areas as B2B, mobile services, handset sales, and roaming are expected to remain affected. The extent to which the health crisis will weigh on the Company's operations in coming quarters will largely depend on future developments and policy responses to the pandemic. Potential reintroduction of mobility restrictions could negatively impact the Company's business performance, reduce revenues from telecommunications services, temporarily affect its ability to collect receivables, and disrupt its supply chain. In addition, the pandemic should have a significant impact on global growth, and on Greece's economy, which is largely dependent on tourism.

Against this uncertain background, the Company intends to continue implementing 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 objectives: Adjusted CAPEX of €600mn, Adjusted Free Cash Flow of approximately €610mn, and reported FCF of €350mn.

Shareholder remuneration for 2020 is planned to reach €400mn, a substantial increase compared to the prior year, despite absorbing record levels of estimated spectrum payments and restructuring charges.

OTE GROUP HIGHLIGHTS

The OTE Group's consolidated revenues decreased by 3.0% in Q2'20 to €918.2mn. In Greece, revenues were down 3.8% to €692.3mn, mainly due to the impact of COVID-19 on the mobile segment. In Romania, revenues were down 1.0% at €228.9mn.

Total Operating Expenses, excluding depreciation, amortization, impairment and charges related to restructuring costs (primarily voluntary leave schemes) and non-recurring litigations, amounted to €586.2mn in Q2'20, a 3.8% decrease versus Q2'19, reflecting stringent cost-control initiatives across the board.

In Q2'20, the Group's Adjusted EBITDA After Lease (AL) increased by 0.8% to €321.3mn, yielding an Adjusted EBITDA (AL) margin of 35.0%, up 130 basis points. In Greece, Adjusted EBITDA After Lease (AL) was down 1.7% to €285.1mn, and the Adjusted EBITDA (AL) margin improved 90 basis points to 41.2%. In Romania, Adjusted EBITDA After Lease (AL) grew 25.7% to €36.2mn, and the Adjusted EBITDA (AL) margin improved 330 basis points to 15.8%.

The Group reported Operating profit before financial and investing activities of €137.7mn in Q2'20. In Q2'19, Group Operating profit before financial and investing activities had totaled €19.6mn, reflecting goodwill impairment charges related to its Romanian mobile operations.

The Group's Income Tax charge for Q2'20 amounted to €29.5mn, up from €17.5mn in Q2'19, mainly reflecting the positive one-off tax effect in the comparable quarter of the prior year.

Adjusted Group profit after minority interests amounted to €118.4mn in Q2'20, compared to €98.5mn in Q2'19.

Adjusted Capital Expenditures amounted to €151.1mn in Q2'20, down 15.2% from Q2'19, with investments in Greece and Romania standing at €118.0mn and €33.1mn, respectively.

In Q2'20, the Group's Adjusted Free Cash Flow after leases reached €184.8mn, up from €172.7mn in Q2'19, primarily reflecting lower Capex spending and lower income taxes paid in the quarter.



The Group's Adjusted Net Debt stood at €847.7mn at June 30, 2020, down 16.3% compared to June 30, 2019. The Group's ratio of Adjusted Net Debt to 12-month Adjusted EBITDA (AL) stood at 0.6x.

Revenues (€mn)	Q2 '20	Q2 '19	Change	6M '20	6M'19	Change
Greece	692.3	719.6	-3.8%	1,399.1	1,416.6	-1.2%
Romania	228.9	231.2	-1.0%	466.0	447.8	+4.1%
Eliminations	(3.0)	(3.9)	-23.1%	(5.8)	(8.9)	-34.8%
OTE GROUP	918.2	946.9	-3.0%	1,859.3	1,855.5	+0.2%

Adjusted EBITDA After Lease (AL) (€mn)	Q2 '20	Q2 '19	Change	6M '20	6M'19	Change
Greece	285.1	290.0	-1.7%	573.4	572.6	+0.1%
Margin (%)	41.2%	40.3%	+0.9pp	41.0%	40.4%	+0.6pp
Romania	36.2	28.8	+25.7%	70.0	54.5	+28.4%
Margin (%)	15.8%	12.5%	+3.3pp	15.0%	12.2%	+2.8pp
OTE GROUP	321.3	318.8	+0.8%	643.4	627.1	+2.6%
Margin (%)	35.0%	33.7%	+1.3pp	34.6%	33.8%	+0.8pp

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	Q2'20	Q2'19	y-o-y change	Q2'20 net
Fixed lines access	2,670,242	2,647,850	+0.8%	19,379
Broadband subscribers	2,080,113	1,950,765	+6.6%	44,003
of which fiber service*	840,383	645,614	+30.2%	52,938
TV subscribers	563,197	543,683	+3.6%	6,501
Mobile Subscribers	7,208,393	7,629,576	-5.5%	(135,026)

*Including VDSL, FTTH, Vectoring & Super Vectoring

In Q2'20, the total Greek access market added 30k lines, partly reflecting the suspension of disconnections during the health crisis. OTE achieved positive net additions of 19k access lines.

OTE posted strong net additions in retail broadband customers in the quarter, totaling 44k, to reach 2,080k. Broadband penetration has now reached 78% of OTE's fixed customer base. Penetration of high-speed fiber broadband service continued to make progress, fueled by growing demand from residential customers; net additions totaled 53k in the quarter, supported by OTE's expanding reach and network quality, and supported by a slowdown of disconnections during the lockdown period. As of June 30, 2020, OTE's fiber offer had been adopted by 840k subscribers, a 30% increase from the year-earlier level, reflecting the company's successful speed-upgrade campaigns. With fiber penetration now totaling 40% of total fixed broadband subscribers, up 7 percentage points year-on-year, OTE still enjoys strong growth potential.

OTE has largely completed its planned deployment of FTTC cabinets, totaling more than 16k, and is pursuing the rollout of its Fiber-to-the-home (FTTH) footprint. At the end of June 2020, over 190k households and businesses had access to OTE's FTTH network. Increasing availability of fiber services and the steadily growing demand for faster speed on the FTTx infrastructure support the Group's long-term growth.

In a challenging environment, OTE added 6.5k net new subscribers to its TV offering during the quarter. At June 30, 2020, the total number of TV subscribers was 563k, up 3.6% year-on-year. OTE is leveraging its new

OTT platform to strengthen its consumer offering and provide a highly competitive proposition.

As of June 30, 2020, COSMOTE provided mobile telephony services to 7.2mn customers in Greece, down 5.5% year on year, reflecting a drop in the number of inactive SIM cards in the pre-paid segment.

Demand for mobile data services continued to increase, reflecting consistent growth in smartphone penetration as well as incremental demand exacerbated by the pandemic situation and commercial offerings responding to social needs. In Q2'20, data traffic was up more than 70% compared to the prior-year period, as average monthly usage reached 3.8 GB per subscriber, a 60% increase compared to the same quarter last year. Free data offers in Q2 were instrumental in providing connectivity to customers, while driving data consumption to higher levels. The COVID-19 situation also led to a further increase in the penetration of COSMOTE's customer-service application, as the major digital contact point with the customer.

Once again this quarter, OTE's fixed and mobile networks handled flawlessly the mounting volume of voice and particularly data traffic induced by the pandemic. For the fourth consecutive year, OTE's mobile network was recognized as Greece's "Fastest Mobile Network" by the recent OOKLA speedtest award.

(€ mn)	Q2 '20	Q2 '19	Change	6M '20	6M'19	Change
Revenues	692.3	719.6	-3.8%	1,399.1	1,416.6	-1.2%
<i>Retail Fixed Services</i>	231.3	233.4	-0.9%	465.7	464.7	+0.2%
<i>Mobile Service Revenues</i>	217.7	238.6	-8.8%	440.1	453.8	-3.0%
<i>Wholesale Services</i>	138.2	137.4	+0.6%	276.2	278.1	-0.7%
<i>Other Revenues</i>	105.1	110.2	-4.6%	217.1	220.0	-1.3%
Adjusted EBITDA After Lease (AL)	285.1	290.0	-1.7%	573.4	572.6	+0.1%
Adjusted EBITDA (AL) margin	41.2%	40.3%	+0.9pp	41.0%	40.4%	+0.6pp

In Greece, total revenues were down 3.8% to €692.3mn in Q2'20. Retail fixed service revenues were down 0.9%. The drop was in part due to pressure on the TV segment, as OTE extended rebates to certain businesses (cafés, hotels, betting shops) that were either shut down or had no sporting events to feature. Wholesale revenues were up 0.6% in the quarter due to increased adoption of fiber services by other operators.

ICT revenues were up 5%, pursuing their positive trend in the quarter. While COVID-19 may postpone certain orders in this segment in coming quarters, the need for high-quality digital services is now well established, and demand is expected to continue intensifying.

In Mobile, service revenues were down 8.8% in the quarter as mobility and traveling restrictions had a negative impact on both visitors roaming and outbound roaming revenues. Post-paid and pre-paid revenues were down 3.3% and 6.9%, respectively, partly reflecting extra data offers during the COVID-19 crisis that weighed on out-of-bundle revenues. Excluding roaming, mobile service revenues would have been down less than 5%.

Data revenues grew by 18%, continuing its positive performance, fueled by attractive offers under the more-for-more concept.

Total Adjusted EBITDA After Lease (AL) in Greece was down 1.7% in the quarter at €285.1mn, yielding a strong margin of 41.2%.

Reductions in a number of cost lines, notably commercial expenses, travels and other, supported EBITDA performance in the quarter. In addition, transformation initiatives designed to improve productivity are underway and will continue supporting performance in H2'20 and beyond.

ROMANIA

Operational Data	Q2'20	Q2'19	y-o-y change	Q2'20 net adds
Fixed line Subscribers	1,151,608	1,346,938	-14.5%	(39,038)
Broadband Subscribers	959,448	1,055,455	-9.1%	(18,044)
TV subscribers	1,256,120	1,380,074	-9.0%	(10,962)
FMC Subscribers*	880,769	805,443	+9.4%	24,109
Mobile Subscribers	3,828,462	4,452,439	-14.0%	(80,606)

*Including CDMA

(€ mn)	Q2 '20	Q2 '19	Change	6M '20	6M'19	Change
Revenues	228.9	231.2	-1.0%	466.0	447.8	+4.1%
<i>Retail Fixed Services</i>	55.4	59.3	-6.6%	111.9	117.1	-4.4%
<i>Mobile Service Revenues</i>	72.9	78.8	-7.5%	146.2	155.0	-5.7%
<i>Wholesale Services</i>	43.8	36.2	+21.0%	79.3	63.3	+25.3%
<i>Other Revenues</i>	56.8	56.9	-0.2%	128.6	112.4	+14.4%
Adjusted EBITDA After Lease (AL)	36.2	28.8	+25.7%	70.0	54.5	+28.4%
Adjusted EBITDA (AL) margin	15.8%	12.5%	+3.3pp	15.0%	12.2%	+2.8pp

In Q2'20, total revenues from Romania were down 1.0% to €228.9mn, as growth in ICT-related projects and higher wholesale revenues nearly offsets the negative impacts of the COVID-19 pandemic on service revenues.

Revenues from Retail Fixed Services totaled €55.4mn, down 6.6%. Continuing strong broadband performance from the company's higher-speed offerings and pricing initiatives was offset by pressure on the voice and TV segment.

Mobile service revenues totaled €72.9mn, down 7.5%, largely due to the negative impact from the health crisis. The decline was primarily related to roaming; excluding roaming, mobile service revenues were down 4%. In addition, the prepaid segment was affected by lower usage due to mobility restrictions. The positive momentum in ARPU evolution is continuing, mainly due to pricing and upselling initiatives.

The FMC customer base grew by 9.4% to 881k, reaffirming Telekom Romania's competitive advantage and market leadership in this segment. FMC mobile service revenues were up 5.6% compared to Q2'19. In addition, FMS (Fixed Mobile Substitution) services continue to gain acceptance, having reached 71k customers at the end of the quarter.

Revenues from Wholesale Services were up 21.0% from Q2'19, mainly due to higher international transit traffic.

Other revenues were stable in the quarter as the increase in revenues from ICT projects was largely offset by lower handset sales due to COVID-19.

The Company continues to adopt initiatives aimed at reducing indirect costs across all business areas, as part of its ongoing cost-transformation process. In the quarter, it outsourced its TV business, and plans to implement similar measures in segments such as IT in coming quarters. Personnel costs were down nearly 15% from Q2'19.

Adjusted EBITDA After Leases (AL) grew 25.7% to €36.2mn in Q2'20. In addition to a low base in Q2'19, which will be reversed in coming quarters, disciplined cost programs mitigated the impact from COVID-19 on revenues, driving the profitability improvement. The Company's recurring efforts to improve cash conversion

led to a substantial improvement in Adjusted Free Cash Flow After Leases to €16.5mn, more than quadrupling the Q2'19 level.

SIGNIFICANT EVENTS OF THE QUARTER

Issuance of new bonds

On June 19, OTE plc issued €150mn in Notes due December 10, 2020 and €200mn in Notes due June 10, 2021. The annual coupon was set at 0.960% and 0.977%, respectively. The new Notes were issued by OTE plc and are guaranteed by OTE SA under the existing Global Medium-Term Note Program. The new Notes were fully subscribed by Deutsche Telekom AG. The proceeds of the new Notes were used for the partial refinancing of the €628mn OTE plc Notes which matured in July 2020.

Voluntary Leave Scheme

In Q2'20, OTE Group implemented a Voluntary Leave Scheme program, pursuant to which approximately 450 people in Greece left the Group.

Spin-off procedure

On June 18, the Boards of Directors of OTE and COSMOTE approved the initiation of a spin-off procedure for the business sectors of Customer Service, Shops and Technical Field Operations of the Companies, which will be absorbed by Companies that are 100% subsidiaries of the OTE Group. The aim of the above decision is to rationalize operational structure, increase flexibility and business specialization of the Company and OTE Group.

Dividend

On June 24, 2020, the General Assembly of OTE's Shareholders approved the distribution of a dividend of a total amount of €258.6 or €0.55 per share, payable July 15, 2020.

SIGNIFICANT EVENTS AFTER THE QUARTER

Cosmote Payments

On July 21, 2020, the grant by the Bank of Greece of an operating license for an electronic money institution to COSMOTE PAYMENTS was published in the government gazette.

Repayment of Notes

On July 9, 2020, the €700.0mn fixed-rate Notes under the Global Medium-Term Note Program of OTE PLC, with outstanding balance of €627.9mn, were fully repaid at maturity.



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>

Conference Call Details

Thursday, August 6, 2020

5:00pm (EEST), 3:00pm (BST), 4:00pm (CEST), 10:00am (EDT)

Greece	+30 210 9460 800
Germany	+49 (0) 69 2222 4493
UK & International	+ 44 (0) 203 059 5872
USA	+1 516 447 5632

We recommend that you call any of the above numbers 5 to 10 minutes before the conference call is scheduled to start.

Webcast Details

The conference call will be webcast in real time and you may join by linking at:

<https://87399.themediaframe.eu/links/otegroup200806.html>

If you experience difficulty, please call + 30 210 9460803.

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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 June 30, 2020 and December 31, 2019
- III. Consolidated Income Statements for the quarter and six months ended June 30, 2020 and comparative 2019
- IV. Group Revenues for the quarter and six months ended June 30, 2020 and comparative 2019
- V. Consolidated Statement of Cash Flows for the quarter and six months ended June 30, 2020 and comparative 2019

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 six months' Financial Statements, the impact of costs or payments related to voluntary leave schemes, costs or payments for restructuring plans and non-recurring litigations and Spectrum acquisitions.

Costs or payments related to Voluntary Leave Schemes

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

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

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

Spectrum acquisition payments

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

Net Debt

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

Adjusted Net Debt

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

OTE Group - Amounts in € mn	30/06/2020	30/06/2019	Change
Long-term borrowings	985.6	1,247.0	-21.0%
Short-term portion of long-term borrowings	651.6	484.0	+34.6%
Short-term borrowings	350.0	-	-
Lease liabilities (long-term portion)	323.8	341.8	-5.3%
Lease liabilities (short-term portion)	70.7	69.0	+2.5%
Cash and cash equivalents	(1,528.7)	(1,123.5)	+36.1%
Net Debt	853.0	1,018.3	-16.2%
Other financial assets	(5.3)	(5.9)	-10.2%
Adjusted Net Debt	847.7	1,012.4	-16.3%

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	30/06/2020	30/06/2019	Change
Net Debt	853.0	1,018.3	-16.2%
Lease liabilities (long-term portion)	(323.8)	(341.8)	-5.3%
Lease liabilities (short-term portion)	(70.7)	(69.0)	+2.5%
Net Debt excluding leases	458.5	607.5	-24.5%
Other financial assets	(5.3)	(5.9)	-10.2%
Adjusted Net Debt excluding leases	453.2	601.6	-24.7%

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

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

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

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

Amounts in € mn	Q2 '20	Q2 '19	Change	6M '20	6M '19	Change
Total Revenues	918.2	946.9	-3.0%	1,859.3	1,855.5	+0.2%
Other Operating Income	11.5	7.4	+55.4%	22.6	17.4	+29.9%
Total operating expenses before depreciation, amortization and impairment	(631.2)	(662.1)	-4.7%	(1,253.4)	(1,247.5)	+0.5%
EBITDA	298.5	292.2	+2.2%	628.5	625.4	+0.5%
margin %	32.5%	30.9%	+1.6pp	33.8%	33.7%	+0.1pp
Costs related to voluntary leave schemes	52.7	52.8	-0.2%	54.6	54.5	+0.2%
Other restructuring and non-recurring litigations	(7.7)	-	-	7.5	-	-
Adjusted EBITDA	343.5	345.0	-0.4%	690.6	679.9	+1.6%
margin %	37.4%	36.4%	+1.0pp	37.1%	36.6%	+0.5pp

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	Q2 '20	Q2 '19	Change	6M '20	6M '19	Change
EBITDA	298.5	292.2	+2.2%	628.5	625.4	+0.5%
margin %	32.5%	30.9%	+1.6pp	33.8%	33.7%	+0.1pp
Depreciation for the right-of-use assets	(16.9)	(20.6)	-18.0%	(36.6)	(41.6)	-12.0%
Interest expense on leases	(5.3)	(5.6)	-5.4%	(10.6)	(11.2)	-5.4%
EBITDA After Lease (AL)	276.3	266.0	+3.9%	581.3	572.6	+1.5%
margin %	30.1%	28.1%	+2.0pp	31.3%	30.9%	+0.4pp
Costs related to voluntary leave schemes	52.7	52.8	-0.2%	54.6	54.5	+0.2%
Other restructuring costs and non-recurring litigations	(7.7)	-	-	7.5	-	-
Adjusted EBITDA After Lease (AL)	321.3	318.8	+0.8%	643.4	627.1	+2.6%
margin %	35.0%	33.7%	+1.3pp	34.6%	33.8%	+0.8pp

Greece - Amounts in € mn	Q2 '20	Q2 '19	Change	6M '20	6M '19	Change
EBITDA	250.0	255.4	-2.1%	555.5	555.6	0.0%
margin %	36.1%	35.5%	+0.6pp	39.7%	39.2%	+0.5pp
Depreciation for the right-of-use assets	(13.2)	(13.1)	+0.8%	(26.2)	(26.2)	0.0%
Interest expense on leases	(4.4)	(4.6)	-4.3%	(8.8)	(9.1)	-3.3%
EBITDA After Lease (AL)	232.4	237.7	-2.2%	520.5	520.3	0.0%
margin %	33.6%	33.0%	+0.6pp	37.2%	36.7%	+0.5pp
Costs related to voluntary leave schemes	52.7	52.3	+0.8%	52.9	52.3	+1.1%
Other restructuring costs and non-recurring litigations	-	-	-	-	-	-
Adjusted EBITDA After Lease (AL)	285.1	290.0	-1.7%	573.4	572.6	+0.1%
margin %	41.2%	40.3%	+0.9pp	41.0%	40.4%	+0.6pp

Romania - Amounts in € mn	Q2 '20	Q2 '19	Change	6M '20	6M '19	Change
EBITDA	48.6	36.8	+32.1%	73.1	69.9	+4.6%
margin %	21.2%	15.9%	+5.3pp	15.7%	15.6%	+0.1pp
Depreciation for the right-of-use assets	(3.8)	(7.5)	-49.3%	(10.5)	(15.5)	-32.3%
Interest expense on leases	(0.9)	(1.0)	-10.0%	(1.8)	(2.1)	-14.3%
EBITDA After Lease (AL)	43.9	28.3	+55.1%	60.8	52.3	+16.3%
margin %	19.2%	12.2%	+7.0pp	13.0%	11.7%	+1.3pp
Costs related to voluntary leave schemes	-	0.5	-	1.7	2.2	-22.7%
Other restructuring costs and non-recurring litigations	(7.7)	-	-	7.5	-	-
Adjusted EBITDA After Lease (AL)	36.2	28.8	+25.7%	70.0	54.5	+28.4%
margin %	15.8%	12.5%	+3.3pp	15.0%	12.2%	+2.8pp

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	Q2 '20	Q2 '19	Change	6M '20	6M '19	Change
Profit to owners of the parent from continuing operations (reported)	77.8	37.6	+106.9%	181.0	99.5	+81.9%
Costs related to voluntary leave schemes	40.1	38.0	+5.5%	41.2	39.0	+5.6%
Other restructuring & non-recurring litigations	0.5	-	-	8.7	-	-
Net Impact from Impairments & Write offs	-	59.8	-	-	59.8	-
Tax effect from deductible investment losses/ Intercompany dividends	-	(18.1)	-	-	(18.1)	-
Gain from disposal of subsidiary	-	(2.9)	-	-	(2.9)	-
Reversal of provision related to Assets Sales	-	(15.9)	-	-	(15.9)	-
Adjusted Profit to owners of the parent	118.4	98.5	+20.2%	230.9	161.4	+43.1%

Capital expenditure (CAPEX) and Adjusted Capital expenditure

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

OTE Group - Amounts in € mn	Q2 '20	Q2 '19	Change	6M '20	6M '19	Change
Purchase of property plant and equipment and intangible assets - CAPEX	(151.1)	(178.1)	-15.2%	(317.5)	(354.2)	-10.4%
Spectrum Payments	-	-	-	-	-	-
Adjusted CAPEX	(151.1)	(178.1)	-15.2%	(317.5)	(354.2)	-10.4%

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	Q2 '20	Q2 '19	Change	6M '20	6M '19	Change
Net cash flows from operating activities -Total	290.4	322.0	-9.8%	605.3	543.5	+11.4%
Minus: Net cash flows from operating activities of discontinued operations	-	(1.0)	-	-	(5.3)	-
Interest received	0.4	0.5	-20.0%	1.0	1.1	-9.1%
Purchase of property, plant, equipment & intangible assets	(151.1)	(178.1)	-15.2%	(317.5)	(354.2)	-10.4%
Free Cash Flow	139.7	145.4	-3.9%	288.8	195.7	+47.6%
Lease repayments	(14.7)	(16.9)	-13.0%	(33.4)	(37.8)	-11.6%
Free Cash Flow After Lease (AL)	125.0	128.5	-2.7%	255.4	157.9	+61.7%

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	Q2 '20	Q2 '19	Change	6M '20	6M '19	Change
Free Cash Flow	139.7	145.4	-3.9%	288.8	195.7	+47.6%
Payment for voluntary leave schemes	49.7	44.2	+12.4%	51.8	50.0	+3.6%
Payment for restructuring and non-recurring litigations	10.1	-	-	10.5	0.4	-
Spectrum payments	-	-	-	-	-	-
Adjusted FCF	199.5	189.6	+5.2%	351.1	246.1	+42.7%
Lease repayments	(14.7)	(16.9)	-13.0%	(33.4)	(37.8)	-11.6%
Adjusted FCF After Lease (AL)	184.8	172.7	+7.0%	317.7	208.3	+52.5%

II. GROUP CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in € mn	30/06/2020	31/12/2019
ASSETS		
Non - current assets		
Property, plant and equipment	2,306.0	2,341.3
Right-of-use assets	410.4	418.6
Goodwill	376.6	376.6
Telecommunication licenses	366.0	383.6
Other intangible assets	337.5	367.9
Investments	0.1	0.1
Loans to pension funds	74.1	75.9
Deferred tax assets	280.1	280.3
Contract costs	38.0	42.9
Other non-current assets	91.6	91.7
Total non - current assets	4,280.4	4,378.9
Current assets		
Inventories	50.6	51.3
Trade receivables	601.5	592.5
Other financial assets	5.3	5.7
Contract assets	31.7	37.8
Other current assets	186.6	229.2
Restricted Cash	2.2	2.3
Cash and cash equivalents	1,528.7	1,058.3
Total current assets	2,406.6	1,977.1
TOTAL ASSETS	6,687.0	6,356.0

Amounts in € mn	30/06/2020	31/12/2019
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	1,330.6	1,358.2
Share premium	476.8	486.6
Treasury shares	(50.7)	(110.3)
Statutory reserve	415.1	415.1
Foreign exchange and other reserves	(190.6)	(187.5)
Changes in non-controlling interests	(3,314.1)	(3,314.1)
Retained earnings	3,242.7	3,404.0
Total equity attributable to owners of the Parent	1,909.8	2,052.0
Non-controlling interests	133.0	131.1
Total equity	2,042.8	2,183.1
Non-current liabilities		
Long-term borrowings	985.6	996.4
Provision for staff retirement indemnities	175.6	186.7
Provision for youth account	114.4	121.4
Contract liabilities	35.3	38.4
Lease liabilities	323.8	334.5
Deferred tax liabilities	15.1	16.6
Other non – current liabilities	39.3	60.5
Total non – current liabilities	1,689.1	1,754.5
Current liabilities		
Trade accounts payable	820.4	936.0
Short-term borrowings	350.0	8.9
Short-term portion of long-term borrowings	651.6	707.5
Income tax payable	65.3	16.2
Contract liabilities	133.6	134.6
Lease liabilities	70.7	62.9
Provision for voluntary leave schemes	148.3	139.3
Dividends payable	260.1	1.5
Other current liabilities	455.1	411.5
Total current liabilities	2,955.1	2,418.4
TOTAL EQUITY AND LIABILITIES	6,687.0	6,356.0

III. CONSOLIDATED INCOME STATEMENT

Amounts in € mn	Q2'20	Q2'19	%	6M'20	6M'19	%
Total revenues	918.2	946.9	-3.0%	1,859.3	1,855.5	0.2%
Other operating income	11.5	7.4	+55.4%	22.6	17.4	+29.9%
Operating expenses						
Interconnection and roaming costs	(145.8)	(145.1)	+0.5%	(278.5)	(277.4)	+0.4%
Provision for expected credit losses	(27.7)	(23.4)	+18.4%	(50.9)	(48.9)	+4.1%
Personnel costs	(141.5)	(147.7)	-4.2%	(286.3)	(298.2)	-4.0%
Costs related to voluntary leave schemes	(52.7)	(52.8)	-0.2%	(54.6)	(54.5)	+0.2%
Commission costs	(25.8)	(22.2)	+16.2%	(51.3)	(44.1)	+16.3%
Merchandise costs	(73.9)	(80.2)	-7.9%	(163.1)	(156.0)	+4.6%
Maintenance and repairs	(23.1)	(21.7)	+6.5%	(46.1)	(44.0)	+4.8%
Marketing	(14.8)	(18.4)	-19.6%	(34.1)	(37.3)	-8.6%
Other operating expenses	(125.9)	(150.6)	-16.4%	(288.5)	(287.1)	+0.5%
Total operating expenses before depreciation, amortization and impairment	(631.2)	(662.1)	-4.7%	(1,253.4)	(1,247.5)	+0.5%
Operating profit before financial and investing activities, depreciation, amortization and impairment	298.5	292.2	+2.2%	628.5	625.4	+0.5%
Depreciation, amortization and impairment	(160.8)	(272.6)	-41.0%	(333.3)	(472.5)	-29.5%
Operating profit before financial and investing activities	137.7	19.6	-	295.2	152.9	+93.1%
Income and expense from financial and investing activities						
Interest and related expenses	(23.8)	(24.4)	-2.5%	(41.3)	(50.2)	-17.7%
Interest income	0.5	1.7	-70.6%	1.0	2.3	-56.5%
Foreign exchange differences, net	(1.9)	19.2	-109.9%	(0.7)	13.6	-105.1%
Gains / (losses) from investments and other financial assets - Impairment	0.5	25.5	-98.0%	(0.4)	25.8	-101.6%
Total Profit (loss) from financial and investing activities	(24.7)	22.0	-	(41.4)	(8.5)	-
Profit/(loss) before tax	113.0	41.6	+171.6%	253.8	144.4	+75.8%
Income tax	(29.5)	(17.5)	+68.6%	(69.5)	(63.9)	+8.8%
Profit/(loss) for the period from continuing operations	83.5	24.1	-	184.3	80.5	+128.9%
Profit/(loss) from discontinued operations	-	(5.7)	-	-	5.3	-
Profit/(loss) for the period	83.5	18.4	-	184.3	85.8	+114.8%
Attributable to:						
Owners of the parent	77.8	31.9	+143.9%	181.0	104.8	+72.7%
<i>Profit/(loss) from continuing operations</i>	<i>77.8</i>	<i>37.6</i>	<i>+106.9%</i>	<i>181.0</i>	<i>99.5</i>	<i>+81.9%</i>
<i>Profit/loss from discontinued operations</i>	<i>-</i>	<i>(5.7)</i>	<i>-</i>	<i>-</i>	<i>5.3</i>	<i>-</i>
Non-controlling interests	5.7	(13.5)	-142.2%	3.3	(19.0)	-117.4%

IV. GROUP REVENUES

Amounts in € mn	Q2'20	Q2'19	%	6M'20	6M'19	%
Revenue						
Fixed business:						
Retail services revenues	286.7	292.6	-2.0%	577.6	581.8	-0.7%
Wholesale services revenues	181.6	173.3	+4.8%	354.7	340.5	+4.2%
Other revenues	78.2	71.8	+8.9%	174.5	141.4	+23.4%
Total revenues from fixed business	546.5	537.7	+1.6%	1,106.8	1,063.7	+4.1%
Mobile business:						
Service revenues	290.4	317.1	-8.4%	586.1	608.4	-3.7%
Handset revenues	49.2	53.8	-8.6%	99.2	111.3	-10.9%
Other revenues	4.0	6.1	-34.4%	8.7	11.8	-26.3%
Total revenues from mobile business	343.6	377.0	-8.9%	694.0	731.5	-5.1%
Miscellaneous other revenues	28.1	32.2	-12.7%	58.5	60.3	-3.0%
Total revenues	918.2	946.9	-3.0%	1,859.3	1,855.5	+0.2%

V. CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in € mn	Q2'20	Q2'19	%	6M'20	6M'19	%
Cash flows from operating activities						
Profit before tax	113.0	41.6	+171.6%	253.8	144.4	+75.8%
<u>Adjustments for:</u>						
Depreciation, amortization and impairment	160.8	272.6	-41.0%	333.3	472.5	-29.5%
Costs related to voluntary leave schemes	52.7	52.8	-0.2%	54.6	54.5	+0.2%
Provision for staff retirement indemnities	1.4	1.3	+7.7%	2.9	2.7	+7.4%
Provision for youth account	(0.6)	0.7	-185.7%	0.1	1.3	-92.3%
Foreign exchange differences, net	1.9	(19.2)	-109.9%	0.7	(13.6)	-105.1%
Interest income	(0.5)	(1.7)	-70.6%	(1.0)	(2.3)	-56.5%
(Gains) / losses from investments and other financial assets- Impairment	(0.5)	(25.5)	-98.0%	0.4	(25.8)	-101.6%
Interest and related expenses	23.8	24.4	-2.5%	41.3	50.2	-17.7%
Working capital adjustments:	(2.8)	52.3	-105.4%	(7.1)	(26.4)	-73.1%
Decrease / (increase) in inventories	13.0	3.8	-	0.4	10.5	-96.2%
Decrease / (increase) in receivables	27.9	3.7	-	(13.3)	(6.5)	104.6%
(Decrease) / increase in liabilities (except borrowings)	(43.7)	44.8	-197.5%	5.8	(30.4)	-119.1%
<u>Plus / (Minus):</u>						
Payment for voluntary leave schemes	(49.7)	(44.2)	+12.4%	(51.8)	(50.0)	+3.6%
Payment of staff retirement indemnities and youth account, net of employees' contributions	(1.9)	(2.9)	-34.5%	(5.0)	(5.6)	-10.7%
Interest and related expenses paid (except leases)	(1.5)	(2.6)	-42.3%	(5.8)	(10.4)	-44.2%
Interest paid for leases	(5.3)	(5.6)	-5.4%	(10.6)	(11.2)	-5.4%
Income tax paid	(0.4)	(21.0)	-98.1%	(0.5)	(31.5)	-98.4%
Net cash flows from operating activities of discontinued operations	-	(1.0)	-	-	(5.3)	-
Net cash flows from operating activities	290.4	322.0	-9.8%	605.3	543.5	+11.4%
Cash flows from investing activities						
Acquisition of subsidiaries	-	-	-	-	(0.7)	-
Proceeds from disposal of subsidiaries/ investments	-	31.2	-	-	31.2	-
Repayment of loans receivable	1.8	1.8	0.0%	3.6	3.6	0.0%
Purchase of property, plant and equipment and intangible assets	(151.1)	(178.1)	-15.2%	(317.5)	(354.2)	-10.4%
Interest received	0.4	0.5	-20.0%	1.0	1.1	-9.1%
Net cash flows from investing activities of discontinued operations	-	(3.6)	-	-	(6.6)	-
Net cash flows from/(used in) investing activities	(148.9)	(148.2)	+0.5%	(312.9)	(325.6)	-3.9%
Cash flows from financing activities						
Acquisition of treasury shares	(38.7)	(32.3)	+19.8%	(60.4)	(46.3)	+30.5%
Proceeds from loans granted and issued	350.0	200.0	+75.0%	361.5	202.9	+78.2%
Repayment of loans	(13.5)	(203.2)	-93.4%	(88.5)	(302.8)	-70.8%
Lease repayments	(14.7)	(16.9)	-13.0%	(33.4)	(37.8)	-11.6%
Dividends paid to Company's owners	-	(0.1)	-	-	(0.1)	-
Net cash flows from financing activities of discontinued operations	-	(0.7)	-	-	(1.3)	-
Net cash flows from / (used in) financing activities	283.1	(53.2)	-	179.2	(185.4)	-196.7%
Net increase / (decrease) in cash & cash equivalents	424.6	120.6	-	471.6	32.5	-
Cash and cash equivalents, at the beginning of the period	1,104.5	995.4	+11.0%	1,058.3	1,084.7	-2.4%
Cash and cash equivalents of disposal group classified as held for sale, beginning of period	-	7.5	-	-	7.5	-
Net foreign exchange differences	(0.4)	-	-	(1.2)	(1.2)	0.0%
Cash and cash equivalents, at the end of the period	1,528.7	1,123.5	+36.1%	1,528.7	1,123.5	+36.1%