

## **ANNOUNCEMENT**

**Forthnet S.A.**

**Athens, 02.11.2020**

### **Granting of permission for the conclusion of a related party transaction, pursuant to articles 99 et seq. of L. 4548/2018**

The Company under the name "HELLENIC TELECOMMUNICATIONS & TELEMATICS APPLICATIONS SOCIETE ANONYME" announces that its Board of Directors, by virtue of its resolution dated 30.10.2020, unanimously granted its special permission, pursuant to articles 99 et seq. of L. 4548/2018 for the conclusion of a related party transaction and in particular the issuance of a common revolving bond loan (CBL), with a total nominal value of up to twenty-seven million euro (€27,000,000.00) which shall be covered in total by the shareholder NewCo United Group Hellas S.A.R.L. and guaranteed by the Company's subsidiary Forthnet Media S.A., as per the special terms included in the CBL Program, which incorporates the Bond Loan Subscription Agreement between the Company and the shareholder NewCo United Group Hellas S.A.R.L.. The CBL will be used for the financing of working capital of the Issuer and the achievement of the Company's general corporate goals. The duration of the CBL will be 24 months from the date of signature of the Program and the interest rate shall be 4% per annum.

The above resolution of the Board of Directors for the granting of permission for the conclusion of the above related party transaction was made on the basis of the Report of the chartered auditors' company under the name Deloitte Chartered Auditors Accountants S.A., entitled *"Evaluation of the conclusion of a Bond Loan agreement by "HELLENIC TELECOMMUNICATIONS & TELEMATICS APPLICATIONS SOCIETE ANONYME" as per the provisions of article 101 of L. 4548/2018"* (attached) and as per which the transaction is evaluated as fair and reasonable for the Company and its shareholders who are not a related party, including the minority shareholders. The resolution of the Board of Directors will be subject to publicity requirements of article 101 of L. 4548/2018.

The present announcement is published in accordance with art. 17 of Regulation (EU) 596/2014 for market abuse (MAR) and para. 4.1.3.6. of the Athens Stock Exchange Regulation, as in force.



**Independent Auditor's Report for the evaluation of the Bond Loan  
agreement of the company "HELLENIC TELECOMMUNICATION &  
TELEMATIC APPLICATIONS S.A." in accordance with the provisions  
of Article 101 of Law 4548/2018**

30 October 2020

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Athens, 30 October 2020

To the  
Board of Directors of the Societe Anonyme  
"HELLENIC TELECOMMUNICATION & TELEMATIC APPLICATIONS S.A."

**Independent Auditor's Report for the assessment of the Bond Loan agreement of the company "HELLENIC TELECOMMUNICATION & TELEMATIC APPLICATIONS S.A.", in accordance with the provisions of Article 101 of Law 4548/2018**

Ladies and Gentlemen,

**I. Introductory notes**

Based on the mandate received by the management of the company "HELLENIC TELECOMMUNICATION & TELEMATIC APPLICATIONS S.A." with the General Commercial Registry (GEMI) Number 1700487 (hereinafter referred to as the "Company") and the engagement letter signed between us on 29 October 2020, we present herein the Assessment Report (hereinafter referred to as "the Report") in accordance with the provisions of Article 101 of Law 4548/2018, in order to assess whether the transaction related to the draft agreement for the issue of a common bond loan amounting to €27.000.000, divided into 27.000.000 anonymous bonds with a nominal value of €1,00 each, issued by the Company and guaranteed by the company Forthnet Media S.A. (hereinafter referred to as the "Guarantor"), which the related party Newco United Group Hellas S.A.R.L., based in Luxemburg, (hereinafter referred to as the "Related Party") undertakes to cover entirely (hereinafter "Bond Loan Agreement"), is fair and reasonable to the Company and its shareholders who are not related parties, including the Company's minority shareholders. The specific transaction of the Common Bond Loan Agreement, is considered a transaction of the Company with a related party in accordance with the provisions of Article 99 of Law 4548/2018, for the conclusion of which a special permission of the Board of Directors of the Company is required, which is granted under the terms and conditions of articles 99, 100 and 101 of Law 4548/2018.

Based on the relevant information received by the Company's management, we understand that the provision of credit by the Related Party is considered necessary and imperative for the Company and will substantially support its liquidity position, given the current conditions of the economy and its financial position,.

**II. Management's Responsibilities**

The Company's management is responsible for the compliance with its obligations deriving from the provisions of Law 4548/2018 and in particular with those regarding the transactions with related parties as well as the safeguarding of the interests of the Company.

**III. Auditor's Responsibilities**

Our responsibility is limited to the publication of this Report, based on our work performed, to assess whether this transaction is fair and reasonable for the Company and its shareholders who are not related parties, including the Company's minority shareholders, as provided in paragraph 1 of Article 101 of Law 4548/2018.



#### **IV. Scope of work performed**

Based on the mandate received from the Company's management, we conducted procedures in order to assess whether this transaction is fair and reasonable for the Company and its shareholders who are not related parties, including the Company's minority shareholders, as provided by paragraph 1 of article 101 of Law 4548/2018.

#### **V. Procedures performed**

The procedures we performed including the methods and assumptions we used are summarized as follows:

- We reviewed the draft Bond Loan Agreement between the Company and the Related Party, obtained an understanding of the nature of the transaction and examined the existence of terms, which may be an indication of insufficient protection of the interests of the parties referred to paragraph 1 of Article 101 of Law 4548/2018.
- In particular, it was examined whether the borrowing rate specified in the draft Bond Loan Agreement (fixed interest rate of 4% per annum) as well as its other terms, are fair and reasonable to the Company and the shareholders who are not related parties, including the minority shareholders of the Company, taking into account published information for bond loan programs of companies with similar terms, issued by companies with similar business operations, credit and other risks' characteristics.

#### **VI. Conclusion**

Based on the procedures performed and by taking into account the purpose of the transaction for the Company, as described in this Report, we conclude that the transaction is fair and reasonable for the interests of the Company and the shareholders who are not related parties, including the Company's minority shareholders, as provided in paragraph 1 of Article 101 of Law 4548/2018.

#### **VII. Limitations and Clarifications**

- Our work did not constitute any audit or review of financial statements, but is limited to the performance of the above procedures.
- Our work was conducted based on the terms of the transaction defined in the draft Bond Loan Agreement, as provided to us by the Company for the purposes of issuing this Report.
- This Report was prepared exclusively in the context of the Company's obligations, in accordance with paragraph 1 of Article 101 of Law 4548/2018, and therefore, this Report should not be used for any other purposes.

#### **The Certified Public Accountant**



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