



GROUP OF COMPANIES

Response to Hellenic Capital Market Commission letter

Athens, July 30, 2021 – Hellenic Telecommunications Organization S.A. ("OTE S.A." or the "Company"), following its announcement on 28.7.2021 and in response to the Hellenic Capital Market Commission relevant request for clarifications, dated 29-07-2021, on European Commission's (EC) conditional approval for the sale of Telekom Romania Communications S.A. ("TKR") to Orange, announces the following:

- 1) Following its investigation, the EC as it mentions in the related press release, found that the transaction between OTE and Orange Romania for the sale of the 54% stake OTE holds in TKR, as initially notified, would have raised serious competition concerns on the market for retail mobile telecommunications services. In particular, Orange would have acquired TKR's 30% minority shareholding in Telekom Romania Mobile Communications S.A (TKRM), one of its key competitors in the Romanian mobile market.
In order to address the aforementioned competition concerns, the parties committed to secure the divestment of TKR's 30% stake in TKRM to OTE, which currently holds 70% of TKRM. The EC has concluded that the proposed transaction, subject to the completion of the aforementioned remedy, would no longer raise competition concerns.
- 2) As announced on July 28, 2021, OTE intends to acquire this 30% stake from TKR subject to required approvals. Such acquisition would increase OTE's stake in TKRM to 99.99%, from 70% currently. The timetable of executing this acquisition will depend on EC approval both of OTE as a suitable purchaser and the divestment agreement. The consideration will be determined following a valuation to be performed by independent advisors. It is not expected to differ significantly from the net book value. OTE discloses relevant financial information on TKRM in its Annual Financial Statements:
https://www.cosmote.gr/otegroup_company/annualreport/2020/en/docs/FinancialReport2020English.pdf
- 3) TKR divestment of its 30% stake in TKRM will have no impact on the agreed consideration, as announced on November 9, 2020, for the sale of 54% stake OTE holds in TKR to Orange Romania. Proceeds of the 30% sale will be added to TKR's balances and used in the ordinary course. Furthermore, the acquisition of this stake by OTE will have no material impact on the financial position of the Company. The net proceeds to OTE, after the cost of acquiring this 30%, transaction expenses, and required adjustments, will be returned to OTE shareholders in the form of extraordinary dividend and share buybacks as it has been already announced.
- 4) In conformity with all applicable legislation and regulation, the Company will make all necessary announcements to the investor community if and when relevant.

The European Commission's relevant Press Release is available on the below link:

➤ https://ec.europa.eu/commission/presscorner/detail/en/IP_21_3941

OTE's relevant announcements are available on the below link:

➤ https://www.cosmote.gr/cs/otegroup/en/nea_ependitikes_sxeseis.html

FOR FURTHER INFORMATION:

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