

OTE GROUP REPORTS 2021 SECOND QUARTER RESULTS

Highlights:

- Group revenues up 8.0% on strong Greek operations; Adj. EBITDA (AL) up 6.9%
- Continuing recovery in Greece with positive performances across the board, helped by favorable comparison against pandemic-impacted Q2'20
 - 10% topline growth on service revenue momentum and higher handset sales
 - 7.4% increase in mobile service revenues, roaming rebounding
 - Dynamic operational trends—broadband supported by demand for higher speeds
 - Adj. EBITDA (AL) up 6.5%
- Improving trends in Romania Mobile; Adj. EBITDA (AL) up 26.4%
- €480mn shareholder return guidance for FY 2021 confirmed
- Conditional EU approval of Telekom Romania (Fixed) disposal granted

(€ mn)	Q2'21	Q2'20	Change	6M '21	6M '20	Change
Revenues	827.5	766.1	+8.0%	1,615.4	1,563.4	+3.3%
Adjusted EBITDA After Lease (AL)	310.4	290.4	+6.9%	611.6	586.9	+4.2%
Margin %	37.5%	37.9%	-0.4pp	37.9%	37.5%	+0.4pp
Operating profit before financial and investing activities	160.0	103.8	+54.1%	318.8	256.7	+24.2%
Profit to owners of the parent	75.4	58.9	+28.0%	176.8	155.5	+13.7%
Adj. Profit to owners of the parent	106.5	99.0	+7.6%	207.9	195.9	+6.1%
Basic EPS (€)	0.1653	0.126	+31.2%	0.3865	0.3317	+16.5%
Adjusted Capex	137.2	131.4	+4.4%	237.1	282.6	-16.1%
Adjusted Free Cash Flow After Lease (AL)	162.8	178.8	-8.9%	325.6	286.5	+13.6%
Free Cash Flow After Lease (AL)	157.4	127.5	+23.5%	273.9	234.0	+17.1%
Free Cash Flow of Discontinued operations After Lease (AL)	17.3	(2.5)	-	26.4	21.4	+23.4%
Cash & Other financial assets	891.7	1,534.0	-41.9%	891.7	1,534.0	-41.9%
Adjusted Net Debt (excluding leases)	445.6	453.2	-1.7%	445.6	453.2	-1.7%
Adjusted Net Debt	786.7	847.7	-7.2%	786.7	847.7	-7.2%

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

Note: All figures (apart from Balance Sheet) adjusted to reflect only continuing operations; Telekom Romania (TKR) operations along with certain significant commercial transactions (MVNO agreement and handset sales) between TKR and Telekom Romania Mobile (TKRM) have been classified as held for sale and have been treated as discontinued operations.

ATHENS, Greece – August 05, 2021 – 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, 2021.

Message from the Chairman & CEO, Michael Tsamaz:

"We achieved a strong second quarter in Greece, compared with a period last year that was severely impacted by the health crisis. We experienced positive momentum across all KPIs and revenue streams, including an early recovery in visitors roaming as travel gradually resumes. Operating trends also improved in Romania, where we received conditional approval for the disposal of our fixed operations. We delivered solid EBITDA improvements in both Romania and Greece, and a substantial increase in cash flow."

"The continuing recovery and modernization of the Greek economy, the quality of our technological infrastructure, our people expertise, and the positive trends in the year to date reinforce our confidence for 2021, as we stand well prepared for future challenges."

Outlook

In the second quarter of the year, the negative impact of the pandemic gradually started to subside following the removal of lockdown measures, the easing of travel restrictions, and rapid vaccination progress. OTE Group is benefiting from revenue and profitability recovery in 2021 despite the risks associated with new COVID-19 variants.

The European Commission endorsed Greece's €30.5bn Recovery and Resilience Plan (RRF), an important step towards financing and supporting the implementation of crucial investments and reforms in the country and support economic growth in the coming years. OTE intends to leverage its expertise to support the digitalization of the country and provide it with the technological backbone that will accelerate its future growth.

OTE continues to benefit from its superior network, delivering faster speeds to its customers. Its highly competitive deployment of FTTC/H and 5G provides the required infrastructure to offer enhanced services to customers and continue expanding.

For 2021, management expects Adjusted Group CAPEX of approximately €550mn and Adjusted Free Cash Flow of approximately €575mn. Reported Free Cash Flow should reach €480mn, which also represents the total Shareholder remuneration amount for 2021 (not including proceeds from the disposal of Telekom Romania operations), a 20% increase compared to the prior year.

In addition, during the period of implementation of the Shareholder Remuneration Policy (2018-2020), OTE generated an excess amount, on top of targeted shareholder distribution, of approximately €80mn, reflecting better-than-projected cash flow performance. Given the exceptional conditions of 2020 and 2021, Management has deemed prudent to retain this amount in the near term as a reserve against potential adverse impacts from the health crisis. In the coming year, assuming a normalization of the operating environment, Management anticipates guiding on the distribution of this excess amount, together with any surplus generated in 2021.

OTE GROUP HIGHLIGHTS

OTE Group is successfully executing its strategy aimed at expanding sustainable income-generating activities and expects to complete the disposal of its fixed operations in Romania in the coming months, following the recent approval by the European Commission, subject to certain conditions, of its agreement with Orange Romania.

OTE Group consolidated Revenues increased by 8.0% in Q2'21 to €827.5mn, reflecting the successful execution of its strategy, supported by the recovery from the COVID-19 crisis. In Greece, Revenues continued to rise for a third consecutive quarter and were up 9.6% to €758.7mn, as the authorities eased health restrictions during the quarter. In Romania, revenues from continuing operations posted an improving trend, down 5.6% at €74.7mn in the quarter, and are on track to meet targets in H2.

Total Operating Expenses, excluding depreciation, amortization, impairment, and charges related to restructuring costs (primarily voluntary leave schemes) and non-recurring litigation, amounted to €497.2mn in Q2'21, up 8.3% compared to Q2'20, mainly reflecting higher device costs consistent with the large increase in the corresponding revenue line, as well as certain provisions and additional expenses related to the separation of Romanian mobile and fixed operations. The Group continued to deliver significant savings in personnel costs resulting from the strategic transformation initiatives implemented in 2020.

Group Adjusted EBITDA (AL) rose 6.9% to €310.4mn, yielding a margin of 37.5%, on positive performance in both Greece and Romania. In Greece, Adjusted EBITDA (AL) improved sharply, up 6.5%, to €303.7mn, resulting in a 40.0% margin. Romania mobile operations recorded an Adjusted EBITDA (AL) of €6.7mn up 26.4% as a result of disciplined cost management.

Group profit before tax amounted to €146.4mn in Q2'21, up 67.5% from Q2'20, mainly reflecting higher profitability in the quarter.

The Group recorded an Income Tax charge of €71.6mn in Q2'21, up from €29.5mn in Q2'20, reflecting the impact of the reduction in corporate income tax rate from 24% to 22% on the deferred tax asset base, as well as higher profitability in the quarter.

Adjusted Capital Expenditures amounted to €137.2mn in Q2'21, an increase of 4.4% from Q2'20. Investments in Greece and Romania mobile stood at €123.8mn and €13.4mn, respectively.

Group Adjusted Free Cash Flow after leases reached €162.8mn, while Free Cash Flow stood at €157.4mn, up €29.9mn year on year, mainly reflecting payments related to voluntary exit schemes in 2020.

The Group's Adjusted Net Debt stood at €786.7mn as of June 30, 2021, down 7.2% compared to June 30, 2020. The Group ratio of Adjusted Net Debt to 12-month Adjusted EBITDA (AL) stood at 0.6x.

Revenues (€mn)	Q2 '21	Q2 '20	Change	6M '21	6M '20	Change
Greece	758.7	692.3	+9.6%	1,475.7	1,399.1	+5.5%
Romania mobile	74.7	79.1	-5.6%	151.9	175.5	-13.4%
Eliminations	(5.9)	(5.3)	+11.3%	(12.2)	(11.2)	+8.9%
OTE GROUP	827.5	766.1	+8.0%	1,615.4	1,563.4	+3.3%

Adjusted EBITDA After Lease (AL) (€mn)	Q2 '21	Q2 '20	Change	6M'21	6M'20	Change
Greece	303.7	285.1	+6.5%	602.0	573.4	+5.0%
Margin (%)	40.0%	41.2%	-1.2pp	40.8%	41.0%	-0.2pp
Romania mobile	6.7	5.3	+26.4%	9.6	13.5	-28.9%
Margin (%)	9.0%	6.7%	+2.3pp	6.3%	7.7%	-1.4pp
OTE GROUP	310.4	290.4	+6.9%	611.6	586.9	+4.2%
Margin (%)	37.5%	37.9%	-0.4pp	37.9%	37.5%	+0.4pp

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

On June 9, 2021, the OTE Annual General Meeting of shareholders approved the election of new Board members, enhancing the Board's diversity in line with the Group's ambitions. Furthermore, OTE Group adopted new more ambitious environmental targets going forward, including a complete reliance on renewable energy for all its electrical power usage, climate neutrality first in its own operations by 2025, and then along the entire value chain by 2040 at the latest. With a view to addressing resource efficiency, the Group is committed to applying sustainable practices in managing 100% of technological waste by adopting the principles of circular economy.

GREECE

Operational highlights:

	Q2'21	Q2'20	y-o-y change	y-o-y diff	Q2'21 net adds
Fixed lines access	2,699,457	2,670,242	+1.1%	29,215	7,865
Broadband subscribers	2,203,809	2,080,113	+5.9%	123,696	27,989
<i>of which Fiber service</i>	1,056,210	840,383	+25.7%	215,827	51,078
TV subscribers	578,851	563,197	+2.8%	15,654	1,005
Mobile Subscribers	6,987,941	7,208,393	-3.1%	(220,452)	98,673
<i>Postpaid</i>	2,755,671	2,704,856	+1.9%	50,815	30,734
<i>Prepaid</i>	4,232,270	4,503,537	-6.0%	(271,267)	67,939

Fixed Segment:

OTE further expanded its fiber subscriber base in the quarter, with 51k net additions, raising the total number of fiber subscribers to 1,056k. The Company's successful speed-upgrade campaigns and investments, as well as accelerating demand for higher speeds, fueled another quarter the strong growth of OTE's fiber service.

Penetration of fiber broadband increased by 8 percentage points year-on-year and now stands at 48% of the fixed broadband subscriber base as a result of ongoing upgrades in the speed and quality of OTE's service. Customers continue to migrate to higher-speed FTTC/H offerings, and the share of subscribers using broadband speeds of 100Mbps or more has now reached 20% of all fiber connections, twice the proportion one year earlier.

OTE continues to expand its FTTH footprint to meet the constant increase in demand for high-speed services. OTE reached 388k homes passed in the first half of the year and is on track to pass the 550k mark this year. With more than one million customers still relying on copper infrastructure, the increasing availability of fiber services should support the Group's long-term growth.

As of June 30, 2021, the total number of TV subscribers stood at 579k, a year-on-year increase of 2.8%, as OTE continues to leverage its new OTT platform and attractive content portfolio. Following a long period of limited sports broadcasting as shops remained closed due to the pandemic restrictions, revenues have started to recover.

Mobile Segment:

In the second quarter, Cosmote's mobile customer base stood at 7.0mn customers, a 3.1% decrease compared to Q2'20 driven by the prepaid segment, while postpaid continued to grow. This is consistent with the company's strategy to migrate certain subscribers from prepaid to postpaid, by offering attractive entry-point postpaid data bundles.

Following the launch of its 5G service immediately following the spectrum auction in late 2020, OTE is rapidly expanding the coverage of its 5G service and has already reached its initial 2021 target. Population coverage in the country's two biggest cities, Athens and Thessaloniki, now exceeds 97% and 90%, respectively. OTE plans to provide 5G population coverage of 60% by the end of this year, and coverage of the nationwide highway system by 2023, while continuing to promote data usage over its superior 4G/4G+ network. The company recently announced 5G roaming agreement with 27 countries.

Financial highlights:

(€ mn)	Q2 '21	Q2 '20	Change	6M '21	6M'20	Change
Revenues	758.7	692.3	+9.6%	1,475.7	1,399.1	+5.5%
<i>Retail Fixed Services</i>	236.0	231.3	+2.0%	469.1	465.7	+0.7%
<i>Mobile Service Revenues</i>	233.9	217.7	+7.4%	455.5	440.1	+3.5%
<i>Wholesale Services</i>	146.6	138.2	+6.1%	282.5	276.2	+2.3%
<i>Other Revenues</i>	142.2	105.1	+35.3%	268.6	217.1	+23.7%
Adjusted EBITDA (AL)	303.7	285.1	+6.5%	602.0	573.4	+5.0%
margin (%)	40.0%	41.2%	-1.2pp	40.8%	41.0%	-0.2pp

In Greece, revenues posted sharp growth, up 9.6% to €758.7mn, as the negative effects from the pandemic started to subside. Positive momentum was evident across all revenue streams. Handset sales were up sharply in the quarter, largely reflecting a government-sponsored program subsidizing sales of tablets and laptops to students to advance digitalization.

Retail fixed service revenues were up 2.0%, supported by continuing momentum in broadband revenues. Demand for fiber services is expanding and fueling broadband growth, offsetting negative voice trends. Wholesale revenues were up 6.1% in the quarter, mainly due to increased international transit traffic and the growing base of fiber subscriptions by other operators.

In mobile, service revenues were back to growth, up 7.4%, as headwinds subsided when pandemic-related restrictions were gradually lifted from mid-May. Both the postpaid and prepaid segments achieved year-on-year increases, and roaming revenues are starting to rebound following the easing of travelling restrictions.

Other revenues recorded a substantial increase of 35.3% in the quarter, reflecting positive ICT momentum in addition to the growth in handset sales. ICT had another positive quarter, up 21% compared to Q2'20, as OTE leverages its experience in delivering large projects for private and public organizations. Recent projects include certain web and app solutions in the e-health sector. OTE's expertise and track record strengthen its prospects as a partner of choice for digitalization projects related to the EU RRF plan.

Total Adjusted EBITDA (AL) in Greece was up 6.5% in the quarter at €303.7mn, yielding a margin of 40.0%, compared to 41.2% in Q2'20, as higher service revenues and cost savings were partly offset by incremental costs related to certain provisions and expenses related to the disposal of Romanian fixed activities.

ROMANIA MOBILE

Operational Data	Q2'21	Q2'20	y-o-y change	y-o-y diff	Q2'20 net adds
Mobile Subscribers	3,539,629	3,758,011	-5.8%	(218,382)	(10,840)
<i>Postpaid</i>	<i>1,696,398</i>	<i>1,573,127</i>	<i>+7.8%</i>	<i>123,271</i>	<i>32,501</i>
<i>Prepaid</i>	<i>1,843,231</i>	<i>2,184,884</i>	<i>-15.6%</i>	<i>(341,653)</i>	<i>(43,341)</i>

(€ mn)	Q2'21	Q2'20	Change	6M'21	6M'20	Change
Revenues	74.7	79.1	-5.6%	151.9	175.5	-13.4%
<i>Mobile Service Revenues</i>	<i>54.4</i>	<i>58.1</i>	<i>-6.4%</i>	<i>109.3</i>	<i>117.4</i>	<i>-6.9%</i>
<i>Other Revenues</i>	<i>20.3</i>	<i>21.0</i>	<i>-3.3%</i>	<i>42.6</i>	<i>58.1</i>	<i>-26.7%</i>
Adjusted EBITDA (AL)	6.7	5.3	+26.4%	9.6	13.5	-28.9%
margin (%)	9.0%	6.7%	+2.3pp	6.3%	7.7%	-1.4pp

Following the agreement to sell Telekom Romania's fixed operations (TKR), announced in late 2020, the operations of Telekom Romania Mobile (TKRM), excluding certain commercial transactions between TKR and TKRM (MVNO agreement and handset sales), have been reported separately since Q4'20. TKR, including the FMC operation, is treated as discontinued operations, and accounted for as activities held for sale.

In Q2'21, total revenues from Telekom Romania Mobile were down 5.6%, a significant improvement in trends compared to earlier quarters.

Mobile service revenues totaled €54.4mn, down 6.4%, as growth in the postpaid segment was offset by lower revenue in prepaid and lower interconnection. The Company maintained its share of a shrinking prepaid market, but expanded its penetration in the postpaid segment, achieving a fifth consecutive quarter of growth in subscribers number.

Total Adjusted EBITDA (AL) of Telekom Romania Mobile was up 26.4% in the quarter at €6.7mn, yielding a margin of 9.0%, compared to 6.7% in Q2'20, as trends started gradually improving in the second quarter of the year.

SIGNIFICANT EVENTS OF THE QUARTER

Issuance of new bonds

On May 14, 2021, OTE plc issued €150mn in Notes due November 2021 and €200mn in Notes due May 2028. The new Notes are guaranteed by OTE SA under the existing Global Medium-Term Note Program. The proceeds were used for the refinancing of the €200mn OTE plc Notes which matured in June 2021 as well as for general corporate purposes of the OTE Group.

Dividend

On June 9, 2021, the Annual General Shareholder Meeting approved the distribution of a dividend of a total amount of €313mn or €0.68 per share, payable on July 2, 2021.

Share Buyback Program and Cancellation of Own Shares

The second year of the 2020-2022 Share Buyback Program commenced on March 5, 2021. From March 5, 2021 through June 30, 2021, a total of 4,062,424 own shares were acquired at an average price of €14.15 per share. The Annual General Shareholder Meeting of June 9, 2021, approved the cancellation of 3,469,500 own shares:

- 1,421,976 shares, which had been acquired from November 1, 2020 through January 28, 2021 at an average price of €12.20 per share, and
- 2,047,524 shares, which have been acquired from March 5, 2021 through April 30, 2021 at an average price of €13.60 per share,

along with the reduction of the Company's share capital by €9,818,615 and the amendment of Article 5 ("Share Capital") of the Company's Articles of Incorporation. Following the completion of publicity formalities the above 3,469,500 shares were canceled and delisted from the Athens Exchange effective July 19, 2021.

S&P upgrades OTE to "BBB" with stable outlook

On May 4, 2021, the rating agency Standard & Poor's raised its long-term rating on OTE to "BBB" with stable outlook. The upgrade of OTE follows the recent upgrade of Greece, indicating an improvement in OTE's economic environment and the anticipation that OTE will benefit from the Greek recovery over the next two years. The upgrade also reflects OTE's strong credit metrics, including solid balance sheet and resilient cash flow generation.

SUBSEQUENT EVENTS

Agreement for Telekom Romania Disposal

On July 28, 2021, the European Commission announced that it had approved the sale of OTE's 54% stake in Telekom Romania (Fixed or "TKR") to Orange Romania, subject to the divestment, by TKR, of its 30% stake in Telekom Romania Mobile (TKRM). OTE intends to acquire this stake, which will lead to OTE controlling near 100% of TKRM. On the basis of an agreed enterprise value of €109mn for 100% of TKRM, the value of the 30% stake held by TKR has been established at €32.78mn. The final purchase price will be determined after final adjustments for net debt and working capital of TKRM. Based on current forecasts, the estimated purchase price is approximately €59.5mn and it will be concluded once the final net debt and working capital are available. The final purchase price will be taken into consideration for the distribution of the residual proceeds of the TKR sale, later in the year.

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 05, 2021**

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/otegroup210805.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, 2021 and December 31, 2020
- III. Consolidated Income Statements for the quarter and six months ended June 30, 2021 and comparative 2020
- IV. Group Revenues for the quarter and six months ended June 30, 2021 and comparative 2020
- V. Consolidated Statement of Cash Flows for the quarter and six months ended June 30, 2021 and comparative 2020

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	30/06/2021	30/06/2020	Change
Long-term borrowings	1,164.1	985.6	+18.1%
Short-term portion of long-term borrowings	23.1	651.6	-96.5%
Short-term borrowings	150.1	350.0	-57.1%
Lease liabilities (long-term portion)	280.2	323.8	-13.5%
Lease liabilities (short-term portion)	60.9	70.7	-13.9%
Cash and cash equivalents	(885.9)	(1,528.7)	-42.0%
Net Debt	792.5	853.0	-7.1%
Other financial assets	(5.8)	(5.3)	+9.4%
Adjusted Net Debt	786.7	847.7	-7.2%

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	30/06/2021	30/06/2020	Change
Net Debt	792.5	853.0	-7.1%
Lease liabilities (long-term portion)	(280.2)	(323.8)	-13.5%
Lease liabilities (short-term portion)	(60.9)	(70.7)	-13.9%
Net Debt (excluding leases)	451.4	458.5	-1.5%
Other financial assets	(5.8)	(5.3)	+9.4%
Adjusted Net Debt (excluding leases)	445.6	453.2	-1.7%

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.

OTE Group - Amounts in € mn	Q2 '21	Q2 '20	Change	6M '21	6M '20	Change
Total Revenues	827.5	766.1	+8.0%	1,615.4	1,563.4	+3.3%
Other Operating Income	1.8	3.2	-43.8%	5.6	6.5	-13.8%
Total operating expenses before depreciation, amortization and impairment	(503.4)	(512.0)	-1.7%	(972.1)	(994.4)	-2.2%
EBITDA	325.9	257.3	+26.7%	648.9	575.5	+12.8%
margin %	39.4%	33.6%	+5.8pp	40.2%	36.8%	+3.4pp
Costs related to voluntary leave schemes	4.7	52.7	-91.1%	4.7	53.1	-91.1%
Other restructuring and non-recurring litigations	1.5	-	-	1.5	-	-
Adjusted EBITDA	332.1	310.0	+7.1%	655.1	628.6	+4.2%
margin %	40.1%	40.5%	-0.4pp	40.6%	40.2%	+0.4pp

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

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

Adjusted EBITDA After Lease (AL) is defined as EBITDA After Lease (AL) adding back costs related to voluntary leave schemes, other restructuring costs and non-recurring litigations, as illustrated in the table below. Adjusted EBITDA After Lease (AL) margin (%) is defined as Adjusted EBITDA After Lease (AL) divided by total revenues.

OTE Group - Amounts in € mn	Q2 '21	Q2 '20	Change	6M '21	6M '20	Change
EBITDA	325.9	257.3	+26.7%	648.9	575.5	+12.8%
margin %	39.4%	33.6%	+5.8pp	40.2%	36.8%	+3.4pp
Depreciation for the right-of-use assets	(17.7)	(14.8)	+19.6%	(35.0)	(32.0)	+9.4%
Interest expense on leases	(4.0)	(4.8)	-16.7%	(8.5)	(9.7)	-12.4%
EBITDA After Lease (AL)	304.2	237.7	+28.0%	605.4	533.8	+13.4%
margin %	36.8%	31.0%	+5.8pp	37.5%	34.1%	+3.4pp
Costs related to voluntary leave schemes	4.7	52.7	-91.1%	4.7	53.1	-91.1%
Other restructuring costs and non-recurring litigations	1.5	-	-	1.5	-	-
Adjusted EBITDA After Lease (AL)	310.4	290.4	+6.9%	611.6	586.9	+4.2%
margin %	37.5%	37.9%	-0.4pp	37.9%	37.5%	+0.4pp

Greece - Amounts in € mn	Q2 '21	Q2 '20	Change	6M '21	6M '20	Change
EBITDA	315.6	250.0	+26.2%	630.7	555.5	+13.5%
margin %	41.6%	36.1%	+5.5pp	42.7%	39.7%	+3.0pp
Depreciation of lessee use rights to leased assets	(13.0)	(13.2)	-1.5%	(25.8)	(26.2)	-1.5%
Interest expense on leases	(3.5)	(4.4)	-20.5%	(7.5)	(8.8)	-14.8%
EBITDA After Lease (AL)	299.1	232.4	+28.7%	597.4	520.5	+14.8%
margin %	39.4%	33.6%	+5.8pp	40.5%	37.2%	+3.3pp
Costs related to voluntary leave schemes	4.6	52.7	-91.3%	4.6	52.9	-91.3%
Other restructuring and non-recurring litigations	-	-	-	-	-	-
Adjusted EBITDA After Lease (AL)	303.7	285.1	+6.5%	602.0	573.4	+5.0%
margin %	40.0%	41.2%	-1.2pp	40.8%	41.0%	-0.2pp

Romania mobile - Amounts in € mn	Q2 '21	Q2 '20	Change	6M '21	6M '20	Change
EBITDA	10.3	7.4	+39.2%	18.3	20.1	-9.0%
margin %	13.8%	9.4%	+4.4pp	12.0%	11.5%	+0.5pp
Depreciation of lessee use rights to leased assets	(4.7)	(1.7)	+176.5%	(9.3)	(5.9)	+57.6%
Interest expense on leases	(0.5)	(0.4)	+25.0%	(1.0)	(0.9)	+11.1%
EBITDA After Lease (AL)	5.1	5.3	-3.8%	8.0	13.3	-39.8%
margin %	6.8%	6.7%	+0.1pp	5.3%	7.6%	-2.3pp
Costs related to voluntary leave schemes	0.1	-	-	0.1	0.2	-50.0%
Other restructuring and non-recurring litigations	1.5	-	-	1.5	-	-
Adjusted EBITDA After Lease (AL)	6.7	5.3	+26.4%	9.6	13.5	-28.9%
margin %	9.0%	6.7%	+2.3pp	6.3%	7.7%	-1.4pp

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	Q2'21	Q2'20	Change	6M '21	6M '20	Change
Profit to owners of the Parent from continuing operations (reported)	75.4	58.9	+28.0%	176.8	155.5	+13.7%
Costs related to voluntary leave schemes	3.7	40.1	-90.8%	3.7	40.4	-90.8%
Other restructuring & non-recurring litigations	1.1	-	-	1.1	-	-
Effect due to change in the income tax rates	26.3	-	-	26.3	-	-
Adjusted Profit to owners of the parent	106.5	99.0	+7.6%	207.9	195.9	+6.1%

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	Q2'21	Q2'20	Change	6M '21	6M '20	Change
Purchase of property plant and equipment and intangible assets - CAPEX	(137.2)	(131.4)	+4.4%	(238.2)	(282.6)	-15.7%
Spectrum Payments	-	-	-	1.1	-	-
Adjusted CAPEX	(137.2)	(131.4)	+4.4%	(237.1)	(282.6)	-16.1%

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	Q2'21	Q2'20	Change	6M '21	6M '20	Change
Net cash flows from operating activities	340.3	290.4	+17.2%	614.4	605.3	+1.5%
Minus: Net cash flows from operating activities of discontinued operations	30.1	19.9	+51.3%	69.7	61.3	+13.7%
Interest received	0.2	0.3	-33.3%	0.4	0.8	-50.0%
Purchase of property, plant, equipment & intangible assets	(137.2)	(131.4)	+4.4%	(238.2)	(282.6)	-15.7%
Free Cash Flow	173.2	139.4	+24.2%	306.9	262.2	+17.0%
Lease repayments	(15.8)	(11.9)	+32.8%	(33.0)	(28.2)	+17.0%
Free Cash Flow After Lease (AL)	157.4	127.5	+23.5%	273.9	234.0	+17.1%

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	Q2'21	Q2'20	Change	6M '21	6M '20	Change
Free Cash Flow	173.2	139.4	+24.2%	306.9	262.2	+17.0%
Payment for voluntary leave schemes	5.4	49.1	-89.0%	47.7	49.9	-4.4%
Payment for restructuring costs and non-recurring litigations	-	2.2	-100.0%	2.9	2.6	+11.5%
Spectrum payments	-	-	-	1.1	-	-
Adjusted Free Cash Flow	178.6	190.7	-6.3%	358.6	314.7	+13.9%
Lease repayments	(15.8)	(11.9)	+32.8%	(33.0)	(28.2)	+17.0%
Adjusted Free Cash Flow After Lease (AL)	162.8	178.8	-8.9%	325.6	286.5	+13.6%

II. GROUP CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in € mn	30/06/2021	31/12/2020
ASSETS		
Non - current assets		
Property, plant and equipment	2,055.3	2,060.6
Right-of-use assets	346.9	362.1
Goodwill	376.6	376.6
Telecommunication licenses	340.9	361.0
Other intangible assets	378.5	408.0
Investments	0.1	0.1
Loans to pension funds	70.5	72.3
Deferred tax assets	327.3	364.0
Contract costs	23.4	24.6
Other non-current assets	73.6	75.7
Total non - current assets	3,993.1	4,105.0
Current assets		
Inventories	40.5	26.9
Trade receivables	459.7	433.1
Other financial assets	5.8	5.4
Contract assets	31.0	28.7
Other current assets	115.8	143.8
Restricted Cash	1.9	2.3
Cash and cash equivalents	885.9	516.2
Total current assets	1,540.6	1,156.4
Assets of disposal group classified as held for sale	617.5	606.5
TOTAL ASSETS	6,151.2	5,867.9

Amounts in € mn	30/06/2021	31/12/2020
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	1,302.4	1,330.6
Share premium	466.5	476.4
Treasury shares	(76.2)	(132.2)
Statutory reserve	440.7	440.7
Foreign exchange and other reserves	(200.1)	(201.6)
Changes in non-controlling interests	(3,314.1)	(3,314.1)
Retained earnings	3,221.8	3,396.0
Total equity attributable to owners of the Parent	1,841.0	1,995.8
Non-controlling interests	163.2	144.0
Total equity	2,004.2	2,139.8
Non-current liabilities		
Long-term borrowings	1,164.1	974.8
Provision for staff retirement indemnities	140.5	145.7
Provision for youth account	103.8	109.2
Contract liabilities	24.8	25.4
Lease liabilities	280.2	290.6
Deferred tax liabilities	3.3	9.8
Other non – current liabilities	105.9	107.8
Total non – current liabilities	1,822.6	1,663.3
Current liabilities		
Trade accounts payable	688.3	719.8
Short-term borrowings	150.1	205.9
Short-term portion of long-term borrowings	23.1	23.1
Income tax payable	141.0	76.2
Contract liabilities	125.8	121.8
Lease liabilities	60.9	61.2
Provision for voluntary leave schemes	138.9	178.9
Dividends payable	314.9	2.2
Other current liabilities	399.7	364.5
Total current liabilities	2,042.7	1,753.6
Liabilities of disposal group classified as held for sale	281.7	311.2
TOTAL EQUITY AND LIABILITIES	6,151.2	5,867.9

III. CONSOLIDATED INCOME STATEMENT

Amounts in € mn	Q2'21	Q2'20	%	6M'21	6M'20	%
Total revenues	827.5	766.1	+8.0%	1,615.4	1,563.4	+3.3%
Other operating income	1.8	3.2	-43.8%	5.6	6.5	-13.8%
Operating expenses						
Interconnection and roaming costs	(109.5)	(106.2)	+3.1%	(209.8)	(207.4)	+1.2%
Provision for expected credit losses	(17.7)	(19.7)	-10.2%	(37.3)	(39.0)	-4.4%
Personnel costs	(114.3)	(123.1)	-7.1%	(229.5)	(249.2)	-7.9%
Costs related to voluntary leave schemes	(4.7)	(52.7)	-91.1%	(4.7)	(53.1)	-91.1%
Commission costs	(20.4)	(20.6)	-1.0%	(38.9)	(39.9)	-2.5%
Merchandise costs	(78.5)	(57.5)	+36.5%	(150.9)	(130.0)	+16.1%
Maintenance and repairs	(15.0)	(17.0)	-11.8%	(36.9)	(33.4)	+10.5%
Marketing	(13.0)	(13.6)	-4.4%	(27.8)	(31.0)	-10.3%
Other operating expenses	(130.3)	(101.6)	+28.2%	(236.3)	(211.4)	+11.8%
Total operating expenses before depreciation, amortization and impairment	(503.4)	(512.0)	-1.7%	(972.1)	(994.4)	-2.2%
Operating profit before financial and investing activities, depreciation, amortization and impairment	325.9	257.3	+26.7%	648.9	575.5	+12.8%
Depreciation, amortization and impairment	(165.9)	(153.5)	+8.1%	(330.1)	(318.8)	+3.5%
Operating profit/(loss) before financial and investing activities	160.0	103.8	+54.1%	318.8	256.7	+24.2%
Income and expense from financial and investing activities						
Interest and related expenses	(11.8)	(16.0)	-26.3%	(24.0)	(33.1)	-27.5%
Interest income	0.2	0.4	-50.0%	0.4	0.8	-50.0%
Foreign exchange differences, net	(2.2)	(1.3)	+69.2%	(0.7)	(0.5)	+40.0%
Gains / (losses) from investments and other financial assets - Impairment	0.2	0.5	-60.0%	0.4	(0.4)	-
Total Profit/(loss) from financial and investing activities	(13.6)	(16.4)	-17.1%	(23.9)	(33.2)	-28.0%
Profit/(loss) before tax	146.4	87.4	+67.5%	294.9	223.5	+31.9%
Income tax	(71.6)	(29.5)	+142.7%	(120.1)	(69.5)	+72.8%
Profit/(loss) for the period from continuing operations	74.8	57.9	+29.2%	174.8	154.0	+13.5%
Profit/(loss) from discontinued operations	31.8	25.6	+24.2%	66.7	30.3	+120.1%
Profit/(loss) for the period	106.6	83.5	+27.7%	241.5	184.3	+31.0%
Attributable to:						
Owners of the parent	96.3	77.8	+23.8%	222.0	181.0	+22.7%
Profit/(loss) from continuing operations	75.4	58.9	+28.0%	176.8	155.5	+13.7%
Profit/(loss) from discontinued operations	20.9	18.9	+10.6%	45.2	25.5	+77.3%
Non-controlling interests	10.3	5.7	+80.7%	19.5	3.3	-

IV. GROUP REVENUES

Amounts in € mn	Q2'21	Q2'20	%	6M'21	6M'20	%
Fixed business:						
Retail services revenues	236.0	231.3	+2.0%	469.1	465.7	+0.7%
Wholesale services revenues	146.5	137.9	+6.2%	282.3	275.9	+2.3%
Other revenues	65.5	59.3	+10.5%	127.5	137.7	-7.4%
Total revenues from fixed business	448.0	428.5	+4.6%	878.9	879.3	0.0%
Mobile business:						
Service revenues	287.2	274.5	+4.6%	562.6	555.0	+1.4%
Handset revenues	68.6	44.7	+53.5%	128.9	90.3	+42.7%
Other revenues	4.8	3.7	+29.7%	9.3	8.0	+16.3%
Total revenues from mobile business	360.6	322.9	+11.7%	700.8	653.3	+7.3%
Miscellaneous other revenues	18.9	14.7	+28.6%	35.7	30.8	+15.9%
Total revenues	827.5	766.1	+8.0%	1,615.4	1,563.4	+3.3%

V. CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in € mn	Q2'21	Q2'20	%	6M'21	6M'20	%
Cash flows from operating activities						
Profit before tax	146.4	87.4	+67.5%	294.9	223.5	+31.9%
<u>Adjustments for:</u>						
Depreciation, amortization and impairment	165.9	153.5	+8.1%	330.1	318.8	+3.5%
Costs related to voluntary leave schemes	4.7	52.7	-91.1%	4.7	53.1	-91.1%
Provision for staff retirement indemnities	1.1	1.1	0.0%	2.2	2.3	-4.3%
Provision for youth account	0.3	(0.6)	-150.0%	0.6	0.1	-
Foreign exchange differences, net	2.2	1.3	+69.2%	0.7	0.5	+40.0%
Interest income	(0.2)	(0.4)	-50.0%	(0.4)	(0.8)	-50.0%
(Gains) / losses from investments and other financial assets- Impairment	(0.2)	(0.5)	-60.0%	(0.4)	0.4	-
Interest and related expenses	11.8	16.0	-26.3%	24.0	33.1	-27.5%
Working capital adjustments:	(8.4)	17.2	-148.8%	(41.0)	(16.6)	+147.0%
Decrease / (increase) in inventories	9.2	11.0	-16.4%	(13.6)	1.9	-
Decrease / (increase) in receivables	(6.4)	38.0	-116.8%	(23.9)	(16.2)	+47.5%
(Decrease) / increase in liabilities (except borrowings)	(11.2)	(31.8)	-64.8%	(3.5)	(2.3)	+52.2%
<u>Plus / (Minus):</u>						
Payment for voluntary leave schemes	(5.4)	(49.1)	-89.0%	(47.7)	(49.9)	-4.4%
Payment of staff retirement indemnities and youth account, net of employees' contributions	(2.4)	(1.9)	+26.3%	(4.9)	(5.0)	-2.0%
Interest and related expenses paid (except leases)	(4.1)	(1.0)	-	(7.7)	(5.3)	+45.3%
Interest paid for leases	(4.0)	(4.8)	-16.7%	(8.5)	(9.7)	-12.4%
Income tax paid	2.5	(0.4)	-	(1.9)	(0.5)	-
Net cash flows from operating activities of discontinued operations	30.1	19.9	+51.3%	69.7	61.3	+13.7%
Net cash flows from operating activities	340.3	290.4	+17.2%	614.4	605.3	+1.5%
Cash flows from investing activities						
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	(137.2)	(131.4)	+4.4%	(238.2)	(282.6)	-15.7%
Movement in restricted cash	0.4	-	-	0.4	-	-
Interest received	0.2	0.3	-33.3%	0.4	0.8	-50.0%
Net cash flows from investing activities of discontinued operations	(11.8)	(19.6)	-39.8%	(39.3)	(34.7)	+13.3%
Net cash flows from/(used in) investing activities	(146.6)	(148.9)	-1.5%	(273.1)	(312.9)	-12.7%
Cash flows from financing activities						
Acquisition of treasury shares	(44.3)	(38.7)	+14.5%	(64.9)	(60.4)	+7.5%
Proceeds from loans granted and issued	350.0	350.0	0.0%	350.0	361.5	-3.2%
Repayment of loans	(200.0)	(13.3)	-	(217.4)	(84.8)	+156.4%
Lease repayments	(15.8)	(11.9)	+32.8%	(33.0)	(28.2)	+17.0%
Dividends paid to Company's owners	(0.2)	-	-	(0.2)	-	-
Net cash flows from financing activities of discontinued operations	(1.0)	(3.0)	-66.7%	(4.0)	(8.9)	-55.1%
Net cash flows from/(used in) financing activities	88.7	283.1	-68.7%	30.5	179.2	-83.0%
Net increase / (decrease) in cash & cash equivalents	282.4	424.6	-33.5%	371.8	471.6	-21.2%
Cash and cash equivalents, at the beginning of the period	602.8	1,104.5	-45.4%	516.2	1,058.3	-51.2%
Net foreign exchange differences	(0.4)	(0.4)	0.0%	(0.9)	(1.2)	-25.0%
Change in Cash and cash equivalents of disposal group classified as held for sale	1.1	-	-	(1.2)	-	-
Cash and cash equivalents, at the end of the period	885.9	1,528.7	-42.0%	885.9	1,528.7	-42.0%