

OTE GROUP REPORTS 2022 FIRST QUARTER RESULTS

Highlights

- Positive momentum ongoing, key operational and financial metrics up
 - Group Revenues up 4.7%, Adj. EBITDA (AL) up 8.0%, supported by favorable comparisons and one-offs in Romania
- Greek operations continuing to achieve strong growth across segments
 - Revenues up 4.4%, Adj. EBITDA (AL) up 5.1%
 - Service revenues up 3.6% on strong mobile (+4.5%), TV, and positive broadband dynamics
 - Solid operational KPIs—Fiber subscribers up 20%, reaching 53% penetration
 - FTTH footprint at 634k homes passed by end of March, FTTH base up 14k in quarter, with positive outlook
- Romanian operations boosted by one-off, underlying profitability more than doubled in Q1

(€ mn)	Q1'22	Q1'21	Change
Revenues	825.3	787.9	+4.7%
Adjusted EBITDA (AL)	325.3	301.2	+8.0%
Margin %	39.4%	38.2%	+1.2pp
Operating profit before financial and investing activities	179.2	158.8	+12.8%
Profit to owners of the parent	129.4	101.4	+27.6%
Adj. Profit to owners of the parent	129.5	101.4	+27.7%
Basic EPS (€)	0.2911	0.2211	+31.7%
Adjusted Capex	93.0	99.9	-6.9%
Adjusted Free Cash Flow (AL)	227.8	162.8	+39.9%
Free Cash Flow (AL)	221.8	116.5	+90.4%
Cash & Other financial assets	777.2	608.4	+27.7%
Adjusted Net Debt (excluding leases)	362.6	578.4	-37.3%
Adjusted Net Debt	615.7	925.3	-33.5%

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

Note: All figures in 2021 adjusted to reflect only continuing operations; TELEKOM ROMANIA operations along with certain significant commercial transactions (MVNO agreement and handset sales) that existed between TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE (Romania mobile) until the completion of the sale of TELEKOM ROMANIA have been treated as discontinued operations. The sale was concluded on September 30, 2021.

ATHENS, Greece –May 12, 2022 – Hellenic Telecommunications Organization SA

(ASE: HTO; OTC MARKET: HLTOY), the Greek full-service telecommunications provider, today announced consolidated results (prepared under IFRS) for the first quarter of 2022.

Message from the Chairman & CEO, Michael Tsamaz:

“In an increasingly unstable environment, notably in Europe, we delivered another quarter of steady growth, a solid platform from which to move further ahead throughout the year. Group revenue and profitability were up sharply. In Greece, our top line continued to respond positively to our investments and actions, and we launched a number of initiatives that should support this momentum, including faster broadband speeds and enhanced mobile packages offering greater voice and data value for our customers, to name a few.

“Facing higher energy and other costs as well as a reenergized competitive landscape, we will remain vigilant to continue offering all our stakeholders the performances and rewards they expect. We have the right talents, brand recognition, product portfolio, infrastructure, and attitude to make the best of the situation we will face in 2022 and beyond.”

Outlook

Heightened geopolitical challenges, together with the lingering effect of the health crisis, are expected to adversely impact the macroeconomic environment. In this context, OTE will continue to implement systematic cost-containment efforts. In addition, OTE should benefit from its ongoing investments in advanced network infrastructure in both fixed and mobile. Its highly competitive deployment of FTTH and 5G enables the Company to offer enhanced services to customers and support the digital transformation of its markets. Its technological edge, along with steady focus on customer experience, should enable OTE to achieve sustainable topline growth and further profitability expansion.

In addition to accelerating investment in FTTH, OTE is implementing a plan to upgrade broadband speeds wherever feasible and will be offering new plans in mobile which will enhance the value proposition to the customer, actions that are expected to further strengthen subscriber loyalty.

The deployment of the EU Recovery and Resilience Plan is a substantial factor both for the country's economic outlook and for OTE's ICT business, whose overall contribution to the Group business is anticipated to continue growing in coming years.

OTE management maintains its targets and guidance for 2022. Adjusted Group CAPEX should reach approximately €620mn, while Free Cash Flow is expected to near €600mn in 2022. Total 2022 Shareholder Remuneration is targeted at €500mn, equally split between a proposed cash dividend of €0.558 per share and an approximately €250mn share buyback program.

OTE GROUP HIGHLIGHTS

With solid performances in the quarter, OTE extended the positive trends of 2021. Q1'22 Consolidated Revenues rose 4.7% to €825.3mn. In Greece, Revenues were up 4.4% to €748.2mn, benefiting from a favorable comparison base as well as strong performances in Mobile, TV, Broadband, and ICT. In Romania, revenues were up 1.6% at €78.4mn, reflecting the contribution of certain activities which are not expected to recur in coming quarters; excluding these activities, revenues would have been down around 6%, primarily affected by significant year-on-year drops in mobile termination rates (MTR).

Total Operating Expenses, excluding depreciation, amortization, impairment, and charges related to restructuring costs (primarily voluntary leave schemes) and non-recurring litigation, amounted to €484.2mn in Q1'22, up 3.3% compared to Q1'21, mainly due to increased topline activity. Cost-containment efforts largely offset the rise in energy costs caused by the current crisis.

Group Adjusted EBITDA (AL) rose 8.0% to €325.3mn, resulting in a margin of 39.4%. In Greece, Adjusted EBITDA (AL) rose by 5.1% to €313.6mn and the EBITDA margin increased 30 basis points to 41.9%. Romania Mobile operations recorded an Adjusted EBITDA (AL) of €11.7mn, while on an underlying basis profitability would have stood at approximately €6mn.

Group profit before tax amounted to €171.8mn, up €23.3mn from Q1'21, reflecting higher profitability in both Greece and Romania. The Group recorded an Income Tax charge of €42.3mn in Q1'22, down 12.8% from Q1'21, mainly reflecting a lower income tax rate.

Adjusted Capex amounted to €93.0mn, down 6.9% from Q1'21, as acceleration of the FTTH rollout did not reach full capacity until the end of the quarter. Investments in Greece and Romania mobile stood at €81.1mn and €11.9mn, respectively.

Group Adjusted Free Cash Flow (AL) reached €227.8mn in Q1'22, up 39.9% year-on-year while reported Free Cash Flow stood at €221.8mn, up 90.4%. The increase mainly reflects higher profitability, working capital improvements, and lower payments for voluntary exit schemes, as well as the timing of Capex. Accelerated FTTH deployment, TV content and implementation of a new voluntary exit scheme in Greece should impact cash flow generation in the coming quarters.

The Group's Adjusted Net Debt stood at €615.7mn at the end of Q1'22, down 33.5% compared to March 31, 2021. The Group ratio of Adjusted Net Debt to 12-month Adjusted EBITDA (AL) stood at 0.5x.

Revenues (€mn)	Q1'22	Q1'21	Change
Greece	748.2	717.0	+4.4%
Romania mobile	78.4	77.2	+1.6%
Eliminations	(1.3)	(6.3)	-79.4%
OTE GROUP	825.3	787.9	+4.7%

Adjusted EBITDA After Lease (AL) (€mn)	Q1'22	Q1'21	Change
Greece	313.6	298.3	+5.1%
<i>Margin (%)</i>	<i>41.9%</i>	<i>41.6%</i>	<i>+0.3pp</i>
Romania mobile	11.7	2.9	-
<i>Margin (%)</i>	<i>14.9%</i>	<i>3.8%</i>	<i>+11.1pp</i>
OTE GROUP	325.3	301.2	+8.0%
<i>Margin (%)</i>	<i>39.4%</i>	<i>38.2%</i>	<i>+1.2pp</i>

GREECE

Operational highlights:

	Q1'22	Q1'21	y-o-y change	y-o-y diff	Q1'22 net adds
Fixed lines access	2,712,873	2,691,592	+0.8%	21,281	-3,066
Broadband subscribers	2,268,681	2,175,820	+4.3%	92,861	12,978
<i>of which Fiber service</i>	<i>1,208,265</i>	<i>1,005,132</i>	<i>+20.2%</i>	<i>203,133</i>	<i>59,394</i>
TV subscribers	636,504	577,846	+10.2%	58,658	12,309
Mobile Subscribers	7,180,701	6,889,268	+4.2%	291,433	82,411
<i>Postpaid</i>	<i>2,869,445</i>	<i>2,724,937</i>	<i>+5.3%</i>	<i>144,508</i>	<i>51,019</i>
<i>Prepaid</i>	<i>4,311,256</i>	<i>4,164,331</i>	<i>+3.5%</i>	<i>146,925</i>	<i>31,392</i>

Fixed Segment:

The number of OTE's fiber subscribers continued to grow in Q1, reaching 1,208k. Fiber expansion was fueled by the Company's ongoing investments and its announced initiative to double broadband speeds for over 750k subscribers in the current year. As of the end of April, OTE had already upgraded approximately 30% of the eligible base. Fiber additions stood at 59k while penetration on the total broadband base increased more than 7 percentage points year-on-year, reaching 53.3%. The share of subscribers using broadband speeds of 100Mbps or higher has now reached 28% of all fiber connections, up from 17% a year earlier.

OTE expanded its FTTH footprint, passing 70k homes in the quarter, for a total of 634k homes passed at the end of March and approximately 650k at the end of April. The plan to accelerate Fiber-to-the-Home (FTTH) deployment, which had been announced late last year, reached the implementation phase at the end of Q1, following the completion of necessary procurement. OTE expects to continue speeding up FTTH deployment to reach approximately 1 million homes by the end of 2022. The FTTH subscriber base increased by 14k in the quarter, reaching 75k, and is expected to rise steadily as deployment of the service gains speed. Utilization on homes passed reached 12%, compared to 8% a year earlier, reflecting active sales efforts alongside the rollout.

OTE's TV subscriber base continued to expand, reaching 637k at March 31, a year-on-year increase of 10.2%, as the Company leverages its streaming platform and attractive content portfolio.

Mobile Segment:

As of March 31, OTE's mobile customer base stood at 7.2mn, a 4.2% increase compared to the first quarter of 2021. The increase reflects ongoing growth (+5.3%) in the postpaid segment and a 3.5% increase in prepaid customers.

OTE pursues the expansion of its 5G network and is well on track to achieve its target of 80% population coverage by the end of 2022. While it continues to promote data usage over its superior 4G/4G+/5G network, OTE will leverage the growth of data consumption, its rapid launch of 5G services, and its network superiority to further strengthen its competitive positions. The company provides new offerings in mobile in order to further enhance value proposition and customer experience. OTE completed the switch off of its 3G networks.

Financial highlights:

(€ mn)	Q1'22	Q1'21	Change
Revenues	748.2	717.0	+4.4%
<i>Retail Fixed Services</i>	239.6	233.1	+2.8%
<i>Mobile Service Revenues</i>	231.6	221.6	+4.5%
<i>Wholesale Services</i>	143.7	135.9	+5.7%
<i>Other Revenues</i>	133.3	126.4	+5.5%
Adjusted EBITDA (AL)	313.6	298.3	+5.1%
margin (%)	41.9%	41.6%	+0.3pp

The positive performances of OTE's Greek operations recorded in previous quarters continued in Q1'22, with revenues up 4.4% to €748.2mn, on strong growth across key segments, in addition to a relatively favorable Q1'21 comparison base due to the pandemic. Retail Fixed and Mobile Service revenues, Wholesale and ICT were all up in the quarter.

Retail fixed service revenues were up 2.8%, supported by continuing growth in broadband and strong performance in TV, reflecting the ongoing investment in superior sports content and certain rebates provided in the comparable quarter last year.

Mobile service revenues posted an increase of 4.5% on positive performances in both Postpaid and Prepaid segment, reflecting the ongoing execution of OTE's more-for-more strategy. Since the beginning of the year the reduced mobile tax is in place. Roaming revenues were also up in the quarter, as mobility restrictions have been gradually waived since May 2021.

Wholesale revenues were up 5.7% in the quarter, reflecting higher revenues from international transit traffic and national wholesale due to increasing fiber upselling in the market.

Other revenues were up 5.5% in the quarter mainly reflecting positive ICT momentum. ICT revenues were up 5.9% compared to Q1'21, reflecting a 7.2% increase in system solutions. OTE leverages its experience in delivering large ICT projects, partnering with businesses and public institutions. As the Recovery Fund accelerates during 2022 and the following years, OTE will continue to benefit from the incremental resources available for the digitalization of the public sector.

Total Adjusted EBITDA (AL) in Greece rose 5.1% in the quarter to €313.6mn, yielding a margin of 41.9%, compared to 41.6% in Q1'21, reflecting solid increases across revenue lines. The negative impact from higher energy costs was partly offset by disciplined cost management. Energy costs were up approximately €10mn, and their impact is expected to be more limited in the second half of the year.

ROMANIA MOBILE

Operational Data	Q1'22	Q1'21	y-o-y change	y-o-y diff	Q1'22 net
Mobile Subscribers	3,820,878	3,550,469	+7.6%	270,409	130,271
<i>Postpaid</i>	<i>1,748,931</i>	<i>1,663,897</i>	<i>+5.1%</i>	<i>85,034</i>	<i>14,256</i>
<i>Prepaid</i>	<i>2,071,947</i>	<i>1,886,572</i>	<i>+9.8%</i>	<i>185,375</i>	<i>116,015</i>

(€ mn)	Q1 '22	Q1 '21	Change
Revenues	78.4	77.2	+1.6%
<i>Mobile Service Revenues</i>	52.4	54.9	-4.6%
<i>Other Revenues</i>	26.0	22.3	+16.6%
Adjusted EBITDA (AL)	11.7	2.9	-
margin (%)	14.9%	3.8%	+11.1pp

Total revenues from Telekom Romania Mobile amounted to €78.4mn in the quarter, up 1.6% year on year, largely reflecting certain activities related to the MVNO segment, expected to phase out in coming months.

Mobile service revenues totaled €52.4mn, down 4.6%, due to sharp cuts in mobile termination rates (MTR), which were reduced by 8% on July 1, 2021 and another 21% at the start of 2022. Excluding the MTR effect, mobile service revenues would have increased by 1.2% year on year.

The total subscriber base continued to grow in the quarter, reflecting a 5.1% year-on-year increase in postpaid subscribers and a significant increase in the prepaid base resulting from active promotional activity. The FMS proposition launched in the previous quarter has started to gain traction.

Other revenues were up 16.6%, reflecting MVNO revenues not expected to recur.

Adjusted EBITDA (AL) stood at €11.7mn in the quarter, partly reflecting the positive impact of MVNO revenues. Adjusting for this item, underlying Adjusted EBITDA (AL) would have more than doubled in the quarter compared to Q1'21, to approximately €6mn. The improving trends in profitability reflect the company's strategy as a mobile-only entity and its ongoing focus on cost-containment efforts.

SIGNIFICANT EVENTS OF THE QUARTER

Share Buyback Program and Cancellation of Own Shares

The Extraordinary General Meeting of Shareholders on January 18, 2022, approved in accordance with article 49 of Law 4548/2018, the cancellation of 8,638,512 own shares with a corresponding reduction of its share capital and a relevant amendment of Article 5 (on Share Capital) of the Company's Articles of Incorporation. The Company acquired these shares during the period from May 1, 2021, to November 30, 2021, at an average price of €15.28 per share, within the framework of the Own Share Buyback Program as approved by the General Shareholders' Meeting on February 20, 2020. These shares were canceled and delisted from the Athens Stock Exchange (ATHEX) on February 22, 2022, following completion of formalities.

During the second year of the aforementioned 24-month period program (2020-2022), and particularly during the period from December 1, 2021 to February 20, 2022, the company acquired a total of 3,749,040 shares at an average price of €16.59 per share.

The Extraordinary General Meeting of Shareholders of January 18, 2022 approved a new Own Share Buyback Program for a period of 24 months, covering up to 10% of the Company's share capital, at a price range between €1 and €30 per share. Within this framework and during the period from February 24, 2022 to March 31, 2022, the company acquired a total of 1,868,242 shares at an average price of €16.77 per share.

The Board of Directors of OTE approved the proposal for the cancellation of the above 5,617,282 own shares acquired from December 1, 2021 to March 31, 2022 to the Company's Annual General Shareholder Meeting on May 25, 2022.

Dividend and Share Buyback

The Board of Directors of OTE will propose to the Company's Annual General Shareholder Meeting on May 25, 2022, the distribution of a dividend of €0.558 per share. The corresponding dividend payout of €250mn represents 50% of the total amount to be allocated under the 2022 Revised Shareholder Remuneration Policy which was approved by the Board of Directors on February 23, 2022. The balance, or approximately €250mn, has been allocated to the buyback of Company shares under the new Own Share Buyback Program which was approved by the Extraordinary General Meeting of Shareholders of January 18, 2022.

The dividend corresponding to treasury shares owned by the Company until the ex-dividend date in the context of the Share Buyback Program will increase the amount of the dividend to be paid to other shareholders.



About OTE

OTE Group is the largest telecommunications provider in the Greek market and offers mobile telecommunications services in 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 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, May 12, 2022

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 and you may join by linking at:
<https://87399.themediaframe.eu/links/otegroup220512.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 March 31, 2022 and December 31, 2021
- III. Consolidated Income Statements for the quarter ended March 31, 2022 and comparative 2021
- IV. Group Revenues for the quarter ended March 31, 2022 and comparative 2021
- V. Consolidated Statement of Cash Flows for the quarter ended March 31, 2022 and comparative 2021

I. ALTERNATIVE PERFORMANCE MEASURES “APMs”

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

Definitions and reconciliations of Alternative Performance Measures (“APMs”)

Alternative Performance Measures (“APMs”)

In discussing the performance of the Group, Alternative Performance Measures (“APMs”) are used such as: EBITDA and the respective margin %, Net Debt, CapEx and Free Cash Flow. The definitions and the calculations of these are presented in this section below.

Furthermore “Adjusted” measures are used such as: Adjusted EBITDA and the respective margin %, Adjusted Net Debt, Adjusted CapEx, and Adjusted Free Cash Flow. These are calculated by deducting from the performance measures deriving from directly reconcilable amounts of the Consolidated Statement of Financial Position (Exhibit II), Consolidated Income Statement (Exhibit III) and Consolidated Statement of Cash Flow (Exhibit V), the impact of costs or payments related to voluntary leave schemes, costs or payments for restructuring plans and non-recurring litigations and Spectrum acquisitions.

Costs or payments related to Voluntary Leave Schemes

Costs or payments related to Voluntary Leave Schemes comprise the exit incentives provided to employees and the contributions to the social security fund to exit/retire employees before conventional retirement age.

These costs are included within the income statement as well as within the cash flow statement lines “costs related to voluntary leave schemes” and “payment for voluntary leave schemes”. However, they are excluded from the adjusted results in order for the user to obtain a better understanding of the Group’s operating and financial performance achieved from ongoing activity.

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

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

Spectrum acquisition payments

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

Net Debt

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

Adjusted Net Debt

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

OTE Group - Amounts in € mn	31/03/2022	31/03/2021	Change
Long-term borrowings	742.4	963.7	-23.0%
Short-term portion of long-term borrowings	397.5	23.1	-
Short-term borrowings	-	200.0	-
Lease liabilities (long-term portion)	178.9	283.0	-36.8%
Lease liabilities (short-term portion)	74.2	63.9	+16.1%
Cash and cash equivalents	(772.3)	(602.8)	+28.1%
Net Debt	620.7	930.9	-33.3%
Other financial assets	(4.9)	(5.6)	-12.5%
Non-current financial assets	(0.1)	-	-
Adjusted Net Debt	615.7	925.3	-33.5%

Net Debt & Adjusted Net Debt excluding leases

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

OTE Group - Amounts in € mn	31/03/2022	31/03/2021	Change
Net Debt	620.7	930.9	-33.3%
Lease liabilities (long-term portion)	(178.9)	(283.0)	-36.8%
Lease liabilities (short-term portion)	(74.2)	(63.9)	+16.1%
Net Debt (excluding leases)	367.6	584.0	-37.1%
Other financial assets	(4.9)	(5.6)	-12.5%
Non-current financial assets	(0.1)	-	-
Adjusted Net Debt (excluding leases)	362.6	578.4	-37.3%

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

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

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

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

OTE Group - Amounts in € mn	Q1 '22	Q1 '21	Change
Total Revenues	825.3	787.9	+4.7%
Other Operating Income	5.1	3.8	+34.2%
Total operating expenses before depreciation, amortization and impairment	(484.3)	(468.7)	+3.3%
EBITDA	346.1	323.0	+7.2%
margin %	41.9%	41.0%	+0.9pp
Costs related to voluntary leave schemes	0.1	-	-
Other restructuring and non-recurring litigations	-	-	-
Adjusted EBITDA	346.2	323.0	+7.2%
margin %	41.9%	41.0%	+0.9pp

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	Q1 '22	Q1 '21	Change
EBITDA	346.1	323.0	+7.2%
margin %	41.9%	41.0%	+0.9pp
Depreciation of lessee use rights to leased assets	(18.7)	(17.3)	+8.1%
Interest expense on leases	(2.2)	(4.5)	-51.1%
EBITDA After Lease (AL)	325.2	301.2	+8.0%
margin %	39.4%	38.2%	+1.2pp
Costs related to voluntary leave schemes	0.1	-	-
Other restructuring costs and non-recurring litigations	-	-	-
Adjusted EBITDA After Lease (AL)	325.3	301.2	+8.0%
margin %	39.4%	38.2%	+1.2pp

Greece - Amounts in € mn	Q1 '22	Q1 '21	Change
EBITDA	328.7	315.1	+4.3%
margin %	43.9%	43.9%	+0.0pp
Depreciation of lessee use rights to leased assets	(13.3)	(12.8)	+3.9%
Interest expense on leases	(1.8)	(4.0)	-55.0%
EBITDA After Lease (AL)	313.6	298.3	+5.1%
margin %	41.9%	41.6%	+0.3pp
Costs related to voluntary leave schemes	-	-	-
Other restructuring and non-recurring litigations	-	-	-
Adjusted EBITDA After Lease (AL)	313.6	298.3	+5.1%
margin %	41.9%	41.6%	+0.3pp

Romania mobile - Amounts in € mn	Q1 '22	Q1 '21	Change
EBITDA	17.4	8.0	+117.5%
margin %	22.2%	10.4%	+11.8pp
Depreciation of lessee use rights to leased assets	(5.4)	(4.6)	+17.4%
Interest expense on leases	(0.4)	(0.5)	-20.0%
EBITDA After Lease (AL)	11.6	2.9	-
margin %	14.8%	3.8%	+11pp
Costs related to voluntary leave schemes	0.1	-	-
Other restructuring and non-recurring litigations	-	-	-
Adjusted EBITDA After Lease (AL)	11.7	2.9	-
margin %	14.9%	3.8%	+11.1pp

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 / losses from disposal of subsidiaries, effect of changes to tax rate, tax effect from deductible investment losses and intercompany dividends and tax effect from deductible provisions of prior years, as illustrated in the table below:

Amounts in € mn – After Tax impact	Q1 '22	Q1 '21	Change
Profit to owners of the Parent from continuing operations (reported)	129.4	101.4	+27.6%
Costs related to voluntary leave schemes	0.1	-	-
Other restructuring & non-recurring litigations	-	-	-
Loss from disposal of subsidiary	-	-	-
Reversal of provision related to Assets Sales	-	-	-
Net Impact from Impairments	-	-	-
Tax effect from deductible investment losses/Intercompany dividends	-	-	-
Effect due to change in the income tax rates	-	-	-
Adjusted Profit to owners of the parent	129.5	101.4	+27.7%

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 as an APM to ensure that the cash spending is in line with its overall strategy for the use of cash. Adjusted capital expenditure is calculated by excluding from Capital expenditure, spectrum payments as illustrated in the table below:

OTE Group - Amounts in € mn	Q1 '22	Q1 '21	Change
Purchase of property plant and equipment and intangible assets - CAPEX	(93.0)	(101.0)	-7.9%
Spectrum Payments	-	1.1	-
Adjusted CAPEX	(93.0)	(99.9)	-6.9%

Free Cash Flow (FCF)

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

Free Cash Flow After Lease (AL)

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

OTE Group - Amounts in € mn	Q1 '22	Q1 '21	Change
Net cash flows from operating activities	335.5	274.1	+22.4%
Minus: Net cash flows from operating activities of discontinued operations	-	39.6	-
Interest received	0.4	0.2	+100.0%
Purchase of property, plant, equipment & intangible assets	(93.0)	(101.0)	-7.9%
Free Cash Flow	242.9	133.7	+81.7%
Lease repayments	(21.1)	(17.2)	+22.7%
Free Cash Flow After Lease (AL)	221.8	116.5	+90.4%

Adjusted Free Cash Flow

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

Adjusted Free Cash Flow After Lease (AL)

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

OTE Group - Amounts in € mn	Q1 '22	Q1 '21	Change
Free Cash Flow	242.9	133.7	+81.7%
Payment for voluntary leave schemes	1.4	42.3	-96.7%
Payment for restructuring costs and non-recurring litigations	4.6	2.9	+58.6%
Spectrum payments	-	1.1	-
Adjusted Free Cash Flow	248.9	180.0	+38.3%
Lease repayments	(21.1)	(17.2)	+22.7%
Adjusted Free Cash Flow After Lease (AL)	227.8	162.8	+39.9%

II. GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in € mn	31/03/2022	31/12/2021
ASSETS		
Non - current assets		
Property, plant and equipment	2,074.8	2,080.3
Right-of-use assets	259.0	264.7
Goodwill	376.6	376.6
Telecommunication licenses	340.4	348.9
Other intangible assets	373.4	387.7
Investments	0.1	0.1
Loans to pension funds	67.6	68.6
Deferred tax assets	193.0	197.9
Contract costs	25.7	24.3
Other non-current assets	76.4	75.9
Total non - current assets	3,787.0	3,825.0
Current assets		
Inventories	46.0	38.0
Trade receivables	479.3	504.4
Other financial assets	4.9	5.6
Contract assets	36.5	34.6
Other current assets	166.9	176.9
Restricted Cash	1.8	1.8
Cash and cash equivalents	772.3	630.7
Total current assets	1,507.7	1,392.0
TOTAL ASSETS	5,294.7	5,217.0

Amounts in € mn	31/03/2022	31/12/2021
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	1,268.1	1,292.6
Share premium	453.9	462.6
Treasury shares	(94.3)	(157.1)
Statutory reserve	440.7	440.7
Foreign exchange and other reserves	(160.3)	(168.6)
Changes in non-controlling interests	(3,314.1)	(3,314.1)
Retained earnings	3,444.6	3,414.4
Total equity attributable to owners of the Parent	2,038.6	1,970.5
Non-controlling interests	1.8	1.7
Total equity	2,040.4	1,972.2
Non-current liabilities		
Long-term borrowings	742.4	753.7
Provision for staff retirement indemnities	132.2	139.9
Provision for youth account	94.9	98.4
Contract liabilities	33.4	33.2
Lease liabilities	178.9	189.2
Deferred tax liabilities	2.2	3.3
Other non – current liabilities	69.1	89.3
Total non – current liabilities	1,253.1	1,307.0
Current liabilities		
Trade accounts payable	832.7	818.5
Short-term portion of long-term borrowings	397.5	397.3
Income tax payable	61.1	44.0
Contract liabilities	113.1	118.4
Lease liabilities	74.2	71.7
Dividends payable	2.2	2.3
Other current liabilities	520.4	485.6
Total current liabilities	2,001.2	1,937.8
TOTAL EQUITY AND LIABILITIES	5,294.7	5,217.0

III. CONSOLIDATED INCOME STATEMENT

Amounts in € mn	Q1'22	Q1'21	+/- %
Total revenues	825.3	787.9	+4.7%
Other operating income	5.1	3.8	+34.2%
Operating expenses			
Interconnection and roaming costs	(107.1)	(100.3)	+6.8%
Provision for expected credit losses	(13.0)	(19.6)	-33.7%
Personnel costs	(113.1)	(115.2)	-1.8%
Costs related to voluntary leave schemes	(0.1)	-	-
Commission costs	(19.8)	(18.5)	+7.0%
Merchandise costs	(74.9)	(72.4)	+3.5%
Maintenance and repairs	(20.3)	(21.9)	-7.3%
Marketing	(12.5)	(14.8)	-15.5%
Other operating expenses	(123.5)	(106.0)	+16.5%
Total operating expenses before depreciation, amortization and impairment	(484.3)	(468.7)	+3.3%
Operating profit before financial and investing activities, depreciation, amortization and impairment	346.1	323.0	+7.2%
Depreciation, amortization and impairment	(166.9)	(164.2)	+1.6%
Operating profit before financial and investing activities	179.2	158.8	+12.8%
Income and expense from financial and investing activities			
Interest and related expenses	(8.2)	(12.2)	-32.8%
Interest income	0.4	0.2	+100.0%
Foreign exchange differences, net	0.4	1.5	-73.3%
Gains / (losses) from investments and other financial assets - Impairment	-	0.2	-
Total loss from financial and investing activities	(7.4)	(10.3)	-28.2%
Profit before tax	171.8	148.5	+15.7%
Income tax	(42.3)	(48.5)	-12.8%
Profit for the period from continuing operations	129.5	100.0	+29.5%
Profit from discontinued operations	-	34.9	-
Profit for the period	129.5	134.9	-4.0%
Attributable to:			
Owners of the parent	129.4	125.7	+2.9%
<i>Profit from continuing operations</i>	<i>129.4</i>	<i>101.4</i>	<i>+27.6%</i>
<i>Profit from discontinued operations</i>	<i>-</i>	<i>24.3</i>	<i>-</i>
Non-controlling interests	0.1	9.2	-98.9%

IV. GROUP REVENUES

Amounts in € mn	Q1'22	Q1'21	%
Fixed business:			
Retail services revenues	239.6	233.1	+2.8%
Wholesale services revenues	143.6	135.8	+5.7%
Other revenues	69.5	62.8	+10.7%
Total revenues from fixed business	452.7	431.7	+4.9%
Mobile business:			
Service revenues	284.0	275.4	+3.1%
Handset revenues	57.8	60.3	-4.1%
Other revenues	10.8	4.5	+140.0%
Total revenues from mobile business	352.6	340.2	+3.6%
Miscellaneous other revenues	20.0	16.0	+25.0%
Total revenues	825.3	787.9	+4.7%

V. CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in € mn	Q1'22	Q1'21	%
Cash flows from operating activities			
Profit before tax	171.8	148.5	+15.7%
Adjustments for:			
Depreciation, amortization and impairment	166.9	164.2	+1.6%
Costs related to voluntary leave schemes	0.1	-	-
Provision for staff retirement indemnities	1.0	1.1	-9.1%
Provision for youth account	0.3	0.3	0.0%
Foreign exchange differences, net	(0.4)	(1.5)	-73.3%
Interest income	(0.4)	(0.2)	+100.0%
(Gains) / losses from investments and other financial assets- Impairment	-	(0.2)	-
Interest and related expenses	8.2	12.2	-32.8%
Working capital adjustments:	(3.1)	(32.6)	-90.5%
<i>Decrease / (increase) in inventories</i>	<i>(8.0)</i>	<i>(22.8)</i>	<i>-64.9%</i>
<i>Decrease / (increase) in receivables</i>	<i>8.4</i>	<i>(17.5)</i>	<i>-148.0%</i>
<i>(Decrease) / increase in liabilities (except borrowings)</i>	<i>(3.5)</i>	<i>7.7</i>	<i>-145.5%</i>
Payment for voluntary leave schemes	(1.4)	(42.3)	-96.7%
Payment of staff retirement indemnities and youth account, net of employees' contributions	(2.0)	(2.5)	-20.0%
Interest and related expenses paid (except leases)	(3.2)	(3.6)	-11.1%
Interest paid for leases	(2.2)	(4.5)	-51.1%
Income tax paid	(0.1)	(4.4)	-97.7%
Net cash flows from operating activities of discontinued operations	-	39.6	-
Net cash flows from operating activities	335.5	274.1	+22.4%
Cash flows from investing activities			
Sale or maturity of financial assets	0.7	-	-
Purchase of financial assets	(0.1)	-	-
Repayment of loans receivable	1.8	1.8	0.0%
Purchase of property, plant and equipment and intangible assets	(93.0)	(101.0)	-7.9%
Interest received	0.4	0.2	+100.0%
Net cash flows from investing activities of discontinued operations	-	(27.5)	-
Net cash flows used in investing activities	(90.2)	(126.5)	-28.7%
Cash flows from financing activities			
Acquisition of treasury shares	(71.1)	(20.6)	-
Repayment of loans	(11.5)	(17.4)	-33.9%
Lease repayments	(21.1)	(17.2)	+22.7%
Dividends paid to Company's owners	(0.1)	-	-
Net cash flows from financing activities of discontinued operations	-	(3.0)	-
Net cash flows used in financing activities	(103.8)	(58.2)	+78.4%
Net increase in cash & cash equivalents	141.5	89.4	+58.3%
Cash and cash equivalents, at the beginning of the period	630.7	516.2	+22.2%
Net foreign exchange differences	0.1	(0.5)	-
Change in Cash and cash equivalents of disposal group classified as held for sale	-	(2.3)	-
Cash and cash equivalents, at the end of the period	772.3	602.8	+28.1%