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Announcement of Regulated Information

OTE Group: raises the first loan funds under the Greek Recovery and Resilience Facility in the digital investments pillar

- €150 million loan agreement with the European Bank for Reconstruction and Development (EBRD) for the FTTH network rollout in regions other than major cities
 - The financing will provide a significant boost to digital transformation, green transition and regional inclusion
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Athens, July 07, 2022 - Hellenic Telecommunications Organization S.A. ("OTE S.A." or the "Company") announces that OTE has signed an agreement to raise €150 million via a loan agreement with the EBRD. The loan agreement is the first in the country in the digital investments pillar, with the use of loan funds from the National Recovery and Resilience Facility 'Greece 2.0', financed by the European Union – NextGenerationEU. These funds will contribute to the Fiber to the Home (FTTH) network rollout by OTE in the Greek region, under its investment plan exceeding €3 billion by 2027. The agreement was signed at the OTE Group Headquarters, between Dirk Werner (Director, Head of Telecommunications, Media and Technology - EBRD) and the Chairman and CEO OTE Group, Mr. Michael Tsamaz, with the presence of the Minister of Finance Mr. Christos Staikouras, the Alternate Minister of Finance Mr. Thodoros Skylakakis and the Governor of Greek Recovery and Resilience Agency, Mr. Nikos Mantzoufas.

The Greek Recovery and Resilience Facility funds will provide OTE with additional liquidity for the implementation of part of its FTTH rollout plan. More specifically, it will finance the FTTH rollout to approximately 371 thousand households and businesses in 12 Greek regions (Achaia, Chalkidiki, Corfu, Cyclades, Dodecanese, Evros, Larissa, Lefkada, Rethymno, Rodopi, Trikala and Xanthi) by 2027, substantially contributing to the digital development of the corresponding Greek provinces. The fiber networks are more energy efficient, hence the expansion of FTTH network will contribute significantly to the reduction of greenhouse gas (GHG) emissions and to the green transition of the Greek economy.

The Minister of Finance, Mr. Christos Staikouras, stated: « *The loan agreement signed today between OTE and the EBRD confirms the crucial role of the National Recovery and Resilience Plan 'Greece 2.0' in implementing investments for digital transition which will have concrete results in improving citizens' everyday life and which will significantly contribute to promoting regional growth and innovation. Through this specific investment, which will give access to the FTTH fiber-optic network in 12 regions of the country in the coming years, digital infrastructure is reinforced and the country's competitiveness and investment attractiveness are strengthened. Despite adverse circumstances caused by successive and overlapping crises, the Government will continue working methodically and efficiently, in cooperation with financing institutions and businesses, to take advantage of Next Generation EU funds in the best possible way and to achieve high, sustainable and inclusive growth.*

From his part, the Alternate Minister of Finance Mr. Thodoros Skylakakis noted: " *Through the National Recovery and Resilience Facility 'Greece 2.0', an important investment for the digital growth of the Greek region enters on track for implementation. From the €150ml. of the loan agreement*



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that is signed today, between OTE and EBRD, the 'lion's share', approx. €94ml. come from the Recovery and Resilience Plan and the €56ml. come from EBRD. The benefit from the implementation of the investment is great, since approximately 371 thousand households and businesses in 12 regions of the country will gradually, over the next few years, gain access to the fiber-optic network of OTE (FTTH). 'Greece 2.0' is in full development and contributes with the loan program and the subsidies it provides, but also with the implementation of reforms, to the investment development achieved by our country, despite the difficulties created by external factors".

"The loan arm of the Recovery Fund is off to a strong start. An innovative program to boost major private investments has been methodically set and today's signature underlines its value" stated the Governor of Greek Recovery and Resilience Agency, Mr. Nikos Mantzoufas.

Dirk Werner, EBRD Telecommunications, Media and Technology Director, stressed the importance of the agreement for the Bank: *«I am delighted to be signing this important deal with our long-standing partner, OTE, today. Our investment will help the Greek economy in its digital and green transition, while bringing reliable and energy-efficient broadband technologies to areas outside of major cities».*

Andreea Moraru, EBRD Regional Head of Greece & Cyprus added: *«At the EBRD we are proud to contribute to the implementation of Greece's ambitious Recovery and Resilience Plan and are working with our partners, the European Union and the Greek Ministry of Finance, to build a better future for the Greek people».*

OTE Group Chairman & CEO, Mr. Michael Tsamaz stated: *«The financing from the European Bank for Reconstruction and Development is an important milestone. It is the first in the country in the digital investments pillar, with the use of Greek Recovery and Resilience Facility loans. The agreement is a vote of confidence in the company and its potential. At the same time, it contributes significantly to the rollout of OTE's FTTH network other than in major cities and thus to Greece's regional inclusion, digital transformation and green transition. Equal access to new generation digital infrastructure is necessary in order to create a better world for all».*

The loan has an eight-year duration with repayment at maturity and it will finance a project of €187.5 million. Out of the €150 million that OTE will receive, €93.75 million are financed by the European Union's Recovery and Resilience Facility, channeled through the Greek Ministry of Finance, while €56.25 million are financed by the EBRD. €37.5 million will be covered by OTE's own funds. The total interest rate is expected to range between 1.3%-1.7% per annum depending on the prevailing capital market conditions a few days before the disbursement, when the rate will be finalized.

The announcement is issued as a Regulated Information, in accordance with Law 3556/2007, [article 3, par. 1 (p) and article 21] and Regulation No 596/2014 (article 17) of the European Parliament and of the Council on market abuse.



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Greece 2.0
NATIONAL RECOVERY AND RESILIENCE PLAN



**Funded by the
European Union**
NextGenerationEU

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