

OTE GROUP REPORTS 2023 FIRST QUARTER

Highlights

- Greece: Solid start to the year
 - Higher profitability: Adj. EBITDA (AL) up 1.6%, margin at 43.3%, on strict cost management
 - Continuing Mobile Service Revenues growth, up 2.7%, driven by both postpaid and prepaid
 - Healthy operational KPIs:
 - FTTx subscribers up 23.3%
 - Record FTTH subscriber additions, up 29k; utilization up at 18%
- Total Group Revenues lower on Greece wholesale and high comp base in Romania; Adj. Group EBITDA (AL) impacted by Romania MVNO termination

(€ mn)	Q1'23	Q1'22	Change
Revenues	803.6	820.3	-2.0%
Adjusted EBITDA (AL)	322.0	325.3	-1.0%
Margin %	40.1%	39.7%	+0.4pp
Operating profit before financial and investing activities	181.2	179.2	+1.1%
Profit to owners of the parent	135.3	129.4	+4.6%
Basic EPS (€)	0.3157	0.2911	+8.5%
Adjusted Capex	79.9	93.0	-14.1%
Adjusted Free Cash Flow (AL)	228.8	227.8	+0.4%
Free Cash Flow (AL)	226.1	221.8	+1.9%
Cash and cash equivalents	784.3	772.3	+1.6%
Net Debt	506.2	620.7	-18.4%

Note: The purpose and calculations of all 'Adjusted' data are detailed in the [Alternative Performance Measures Section](#)

ATHENS, Greece – May 5, 2023 – 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 2023.

Message from the Chairman & CEO, Michael Tsamaz:

"Starting the year on a positive note, OTE delivered a solid quarter, underscoring its resilience and successfully addressing increased competition. In the Greek market, we maintained our strong mobile performance, while strict cost discipline yielded another increase in profitability. Our fiber deployment is moving apace, and the number of subscribers upgrading to FTTH is growing steadily."

"We expect the competitive landscape to harden for the rest of the year. In this context, our healthy first quarter reinforces our confidence that we have the right strategy to meet new challenges. We are taking decisive measures to address the challenges our Romania unit still faces following its transformation into a mobile-only operator. In Greece, we are firmly on a continuing profitability growth track."

Outlook

In a challenging competitive environment, OTE expects to continue leveraging its best-in-class fixed and mobile networks, recognized customer excellence, and superior brand attributes. Its technological edge and enhanced propositions, as well as its solid financial resources, should enable it to secure and grow the value of its customer base. OTE intends to pursue its investment strategy, with particular focus on its highly competitive deployment of FTTH and 5G as well as digitalization of all customer touchpoints.

In addition, OTE will continue to expand in adjacent services complementing its offering and leveraging its brand image and customer relationships. OTE anticipates further growing its ICT business in the coming quarters, acting as a major Systems Integrator for businesses and the public sector in Greece and the EU, supported by ongoing deployment of the Recovery and Resilience Plan.



OTE remains committed to continuously enhancing its efficiency and streamlining its cost base, to further raise profitability.

In 2023, OTE expects to generate Free Cash Flow of approximately €500mn, reflecting higher income tax payments compared to 2022, lower financial expenses, stable Capex, and improvement in operational performance in Greece. Last year, Free Cash Flow had been positively impacted by a one-off tax benefit, resulting in significantly lower tax payments. 2023 Group CAPEX should remain stable, at approximately €640mn, as the company pursues the deployment of its FTTH infrastructure.

Total 2023 Shareholder Remuneration is targeted at approximately €425mn, corresponding to a proposed €250mn cash dividend (€0.5765 per share) and a share buyback program of approximately €175mn.

OTE GROUP HIGHLIGHTS

OTE's Consolidated Revenues were down 2.0% in Q1'23 to €803.6mn. In Greece, Revenues were down 0.9% to €736.2mn, as strong Mobile and ICT performances were offset by a drop in revenues from international wholesale (low margin) and retail fixed services. In Romania, revenues were down 12.0% at €69.0mn, mainly reflecting the termination of the MVNO offering to FMC customers, as well as the impact of mobile termination rate (MTR) cuts.

Total Operating Expenses, excluding depreciation, amortization, impairment, and charges related to restructuring costs (primarily voluntary leave schemes), amounted to €463.0mn in Q1'23, down 3.4% compared to Q1'22, mainly reflecting lower direct costs due to the drop in wholesale revenues as well as savings in several cost areas, notably personnel and energy costs.

Group Adjusted EBITDA (AL) was down 1.0% at €322.0mn, resulting in a margin of 40.1%. In Greece, Adjusted EBITDA (AL) rose by 1.6% to €318.5mn, yielding a strong margin of 43.3%, up from 42.2% in Q1'22. Romania Mobile operations recorded an Adjusted EBITDA (AL) of €3.5mn, down €8.2mn, reflecting the impact of MVNO service termination and higher energy costs, as the state price cap lapsed at 2022 year end.

The Group recorded depreciation and amortization expenses of €160.7mn in Q1'23, down 3.7% from Q1'22, following the impairment of Romania operations in Q4'22. As a result, Group profit before tax amounted to €175.7mn, up 2.3% from Q1'22.

Adjusted Capex amounted to €79.9mn, down 14.1% from Q1'22. Capex in Greece and Romania mobile stood at €69.9mn and €10.0mn, respectively.

Group Adjusted Free Cash Flow (AL) reached €228.8mn in Q1'23, up 0.4% year-on-year, while reported Free Cash Flow (AL) stood at €226.1mn, up 1.9% versus Q1'22, reflecting lower Capex payments as well as an income tax refund related to fiscal year 2021 received in the quarter.

The Group's Net Debt stood at €506.2mn as of March 31, 2023, down 18.4% compared to 2022. The Group's ratio of Net Debt to 12-month Adjusted EBITDA (AL) stood at 0.4x.

Revenues (€mn)	Q1'23	Q1'22	Change
Greece	736.2	743.2	-0.9%
Romania mobile	69.0	78.4	-12.0%
Eliminations	(1.6)	(1.3)	+23.1%
OTE GROUP	803.6	820.3	-2.0%



Adjusted EBITDA After Lease (AL) (€mn)	Q1'23	Q1'22	Change
Greece	318.5	313.6	+1.6%
Margin (%)	43.3%	42.2%	+1.1pp
Romania mobile	3.5	11.7	-70.1%
Margin (%)	5.1%	14.9%	-9.8pp
OTE GROUP	322.0	325.3	-1.0%
Margin (%)	40.1%	39.7%	+0.4pp

GREECE

Operational Highlights

	Q1'23	Q1'22	y-o-y change	y-o-y diff	Q1'23 net adds
Fixed line access	2,701,315	2,712,873	-0.4%	(11,558)	(138)
Broadband subscribers	2,333,374	2,268,681	+2.9%	64,693	15,133
<i>of which Fiber service</i>	1,489,407	1,208,265	+23.3%	281,142	41,183
TV subscribers	648,531	636,504	+1.9%	12,027	5,844
Mobile Subscribers	7,345,239	7,180,701	+2.3%	164,538	(24,866)
<i>Postpaid</i>	2,997,235	2,869,445	+4.5%	127,790	47,391
<i>Prepaid</i>	4,348,004	4,311,256	+0.9%	36,748	(72,257)

Fixed Segment

Continuing to capture the bulk of total broadband market net additions, OTE added 15k subscribers to a total of 2,333k. As a result, OTE's broadband penetration on total fixed lines stood at 86%, up from 84% a year earlier.

OTE's focus on upgrading its Broadband customer base onto higher FTTx speeds was in evidence again in this quarter, with the number of its fiber subscribers up 23.3% to a total of 1,489k. Fiber (FTTx) additions stood at 41k, with more than two-thirds coming from FTTH additions. Fiber penetration on total broadband base increased more than 10 percentage points year-on-year, reaching 63.8%. The share of subscribers using broadband speeds of 100Mbps or higher has now reached 45% of all FTTx connections, up from 28% a year earlier.

The Company plans to speed up FTTH deployment to reach approximately 1.4 million homes by the end of 2023, from 941k at March 31, 2023. Consistent with its strategy, OTE upgrades its offering on an ongoing basis, meeting the growing demand for high-speed connectivity through its expanding FTTH network. Following record quarterly additions of 29k, the total FTTH subscriber base reached 166k, or 11% of its total fiber base, compared to 6% at the end of Q1'22. Total utilization on homes passed by OTE's infrastructure increased, reaching 18%, compared to 12% one year earlier, reflecting enhanced network availability and active sales initiatives, enabling OTE to monetize its fiber infrastructure investments.

OTE's TV subscriber base reached 649k in the first quarter of 2023, an increase of 1.9% compared to 2022, despite competitive challenges and the persistence of piracy. Consistent with its strategy to invest and offer superior TV content to its customers, the Company leverages its streaming platform and enriched content portfolio.

Mobile Segment

OTE achieved further year-on-year growth in its mobile customer base in the quarter, to a total of 7.3mn, an increase of 2.3%. Postpaid and prepaid subscriber numbers were both up, by 4.5% and 0.9%, respectively, extending the positive trends of prior quarters. Ongoing customer growth is driven by the Company's

competitive advantage in terms of network superiority and customer satisfaction, consistently recognized by all major market reviews and further evidenced by the extensive deployment of its 5G network. Cosmote subscribers enjoy average download speeds more than double those of competing offers.

OTE continues to expand its 5G network coverage, which now exceeds 80% of the population coverage, with a target of 90% for 2023 year end. Athens, Thessaloniki and 37 other cities throughout Greece already record more than 90% coverage, and speeds exceed 1Gbps in certain areas. While continuing to promote data usage over its superior 4G/4G+/5G network, OTE leverages the growth of data consumption, and its network superiority to further strengthen its revenue base.

New Businesses

The new mobile wallet application, payzy, operated by its Cosmote Payments subsidiary is steadily gaining traction in the e-transaction and mobile payment service market, with the total number of users reaching now approximately 110k.

Financial highlights

(€ mn)	Q1'23	Q1'22	Change
Revenues	736.2	743.2	-0.9%
<i>Retail Fixed Services</i>	229.2	239.6	-4.3%
<i>...Including Data Com.</i>	250.4	259.6	-3.5%
<i>Mobile Service Revenues</i>	235.6	229.3	+2.7%
<i>Wholesale Services</i>	124.7	143.7	-13.2%
<i>Other Revenues</i>	146.7	130.6	+12.3%
Adjusted EBITDA (AL)	318.5	313.6	+1.6%
margin (%)	43.3%	42.2%	+1.1pp

Total revenues from Greek operations decreased by 0.9% in the quarter to €736.2mn, mainly impacted by lower international wholesale revenues, while Mobile and ICT posted another quarter of solid growth.

Retail fixed service revenues decreased by 4.3%, largely due to lower voice and TV revenues. Including revenues from data communications services, retail fixed revenues were down 3.5%. In broadband, revenue growth was affected by speed upgrades implemented in 2022, improving customer loyalty and successfully bolstering OTE's strengths in the market, as well as by OTE's competitive offerings, expanding its customer base value.

Mobile service revenues posted another solid increase, up 2.7% in the quarter. Both postpaid and prepaid revenues were up in the quarter, reflecting the ongoing successful execution of OTE's more-for-more strategy, pricing initiatives, and ongoing efforts to shift customers to higher-value services.

Wholesale revenues were down 13.2% in the quarter, mainly reflecting lower revenues from low-margin international transit traffic.

Other revenues were up 12.3% in the quarter, on strong ICT momentum. Revenues from system solutions were up 16.5% in the quarter. The Company leverages its long-term experience in network infrastructure, along with innovative and customized IT and cloud solutions.

Total Adjusted EBITDA (AL) in Greece rose 1.6% in the quarter to €318.5mn, yielding a strong margin of 43.3%, supported by successful cost containment efforts in several areas. Personnel costs were down 3.3% as the Company benefited from the Voluntary Leave scheme implemented in 2022, while a recently launched program should support profitability in 2023 and beyond. Energy costs were also sharply lower in the quarter, an area of volatility in the past few quarters. OTE is working to secure a significant portion of energy costs for the coming years. While this might entail higher tariffs, it will reduce future volatility. The Company also reduced bad-debt provisioning, consistent with the trends observed in 2022.

ROMANIA MOBILE

Operational Data	Q1'23	Q1'22	y-o-y change	y-o-y diff	Q1'23 net
Mobile Subscribers	4,062,454	3,820,878	+6.3%	241,576	(103,175)
<i>Postpaid</i>	<i>1,857,328</i>	<i>1,748,931</i>	<i>+6.2%</i>	<i>108,397</i>	<i>3,056</i>
<i>Prepaid</i>	<i>2,205,126</i>	<i>2,071,947</i>	<i>+6.4%</i>	<i>133,179</i>	<i>(106,231)</i>

(€ mn)	Q1'23	Q1'22	Change
Revenues	69.0	78.4	-12.0%
<i>Mobile Service Revenues</i>	47.8	52.4	-8.8%
<i>Other Revenues</i>	21.2	26.0	-18.5%
Adjusted EBITDA (AL)	3.5	11.7	-70.1%
margin (%)	5.1%	14.9%	-9.8pp

Total revenues from Telekom Romania Mobile amounted to €69.0mn in the quarter, down 12.0% year on year, mainly reflecting the positive contribution of MVNO services to FMC customers in the comparable quarter of 2022, as well as the ongoing impact of mobile termination rate (MTR) cuts. The MVNO impact should start diminishing in the next quarter. Excluding the impact from MVNO and MTR, revenues would be down by €1.5m.

The total subscriber base continued to grow in the quarter, with postpaid up 6.2% and prepaid up 6.4%.

Adjusted EBITDA (AL) stood at €3.5mn in the quarter down €8.2mn compared to Q1'22, reflecting the MVNO impact of €5.6mn and an increase in energy costs of about €2mn, driven by the government's decision to remove the cap on energy prices. Adjusting for these items, Adjusted EBITDA (AL) would be almost in line with prior year.

SIGNIFICANT EVENTS OF THE QUARTER

Merger of OTE Globe and OTE

On January 2, 2023, the merger by absorption of wholly owned subsidiary company OTE GLOBE by its parent company OTE SA, was concluded.

Shareholder Remuneration Policy

On February 22, 2023, the Board of Directors of OTE revised its Shareholder Remuneration Policy.

Share Buyback Program

On January 18, 2022, the Extraordinary General Meeting of Shareholders approved a new Own Share Buyback Program for a period of 24 months. On February 24, 2023, OTE announced that it intends to purchase up to 30,000,000 own shares, during the period from March 1, 2023, to January 19, 2024, at a price range between €1 (minimum purchase price) and €30 (maximum purchase price) per share. The maximum share buyback consideration for the period is estimated at €175mn, including expenses.

The final amount and total number of shares eventually purchased will be dependent upon the share price and liquidity during the period. Morgan Stanley Europe SE will lead-manage, at its own discretion, the Own Share Buy Back Program during the period. Own shares will be purchased exclusively for cancellation following a Shareholders' General Meeting resolution and under the terms of the legal and regulatory framework in force.

During the first quarter of 2023, and notably during the period from March 1, 2023, to March 31, 2023, the Company acquired 1,521,990 own shares at an average price of €13.47 per share, while as of March 31, 2023, the Company held a total 6,275,082 own shares.

Dividend and Share Buyback

The Board of Directors of OTE will propose to the Company's Annual General Shareholder Meeting of June 7, 2023, the distribution of a dividend of €0.5765 per share. The corresponding dividend payout of €250mn represents 59% of the total amount to be allocated under the 2023 Revised Shareholder Remuneration Policy, which was approved by the Board of Directors on February 22, 2023. The balance, or approximately €175mn, 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 electronic payments, delivery services, maritime communications, real estate, insurance distribution and professional training.

Additional Information is also available on: <https://www.cosmote.gr>

Conference Call Details

Friday, May 5, 2023

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/otegroup230505.html>

If you experience difficulty, please call + 30 210 9460803.

Contacts:

Evrikos Sarsentis - Head of Mergers, Acquisitions and Investor Relations
Tel: +30 210 611 1574, Email: esarsentis@ote.gr

Sofia Ziavra - Deputy Director, Investor Relations
Tel: + 30 210 617 7628, Email: szivra@ote.gr

Elena Boua - Manager Shareholder Services, Investor Relations
Tel: + 30 210 611 7364, Email: eboua@ote.gr



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 Statement of Financial Position as of March 31, 2023 and December 31, 2022
- III. Consolidated Income Statement for the quarter ended March 31, 2023 and comparative 2022
- IV. Group Revenues for the quarter ended March 31, 2023 and comparative 2022
- V. Consolidated Statement of Cash Flows for the quarter ended March 31, 2023 and comparative 2022

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. APMs provide additional insights and understanding to the Group's underlying performance, financial condition and cash flow. APMs and the respective adjusted measures are calculated by using the directly reconcilable amounts from Financial Statements of the Group and the below items as well, that due to their nature impacting comparability. As these costs or payments are of significant size and of irregular timing, it is a common industry practice to be excluded for the calculation of the APMs and the adjusted figures in order to facilitate comparability with industry peers and facilitate the user to obtain a better understanding of the Group's performance achieved from ongoing activity. The APMs should be read in conjunction with and do not replace by any means the directly reconcilable IFRS line items.

1. 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", respectively.

2. Costs or payments related to other restructuring plans

Other restructuring costs comprise non-ongoing activity related costs arising from significant changes in the way the Group conducts business. These costs are mainly related to the Group's portfolio management restructuring.

3. 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.

Definitions and Reconciliations of Alternative Performance Measures ("APMs")

Net Debt

Net Debt is used 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 plus other financial liabilities less cash and cash equivalents. Following the adoption of IFRS 16 financial liabilities related to leases are included in the calculation of net debt from 2019 onwards.

OTE Group (€ mn)	31/03/2023	31/03/2022
Long-term borrowings	870.2	742.4
Short-term portion of long-term borrowings	23.1	397.5
Short-term borrowings	150.0	-
Lease liabilities (long-term portion)	174.6	178.9
Lease liabilities (short-term portion)	70.1	74.2
Financial liabilities related to wallets	2.5	-
Cash and cash equivalents	(784.3)	(772.3)
Net Debt	506.2	620.7

EBITDA - Adjusted EBITDA - Adjusted EBITDA After Lease (AL)

- EBITDA is derived directly from the Financial Statements of the Group, line "Operating profit before financial and investing activities, depreciation, amortization and impairment" of the Income Statement. EBITDA is defined as total revenues plus other operating income less total operating expenses before depreciation, amortization and impairment. EBITDA is intended to provide useful information to analyze the Group's operating performance.
- Adjusted EBITDA is calculated by excluding the impact of [costs related to voluntary leave schemes](#) and [other restructuring costs](#).

- Adjusted EBITDA After Lease (AL): Following the adoption of IFRS 16 related to leases, it is a common industry practice to use the EBITDA After Lease (AL) or Adjusted EBITDA After Lease (AL) in order to facilitate comparability with industry peers and historical comparison as well. Adjusted EBITDA (AL) is defined as Adjusted EBITDA deducting the depreciation and interest expense related to leases. EBITDA, Adjusted EBITDA and Adjusted EBITDA (AL) margin (%) is defined as the respective EBITDA divided by total revenues.

Quarterly (€ mn)	OTE GROUP		GREECE		ROMANIA	
	Q1 '23	Q1 '22	Q1 '23	Q1 '22	Q1 '23	Q1 '22
Revenues	803.6	820.3	736.2	743.2	69.0	78.4
Other Operating Income	1.9	5.1	1.6	4.3	0.3	0.8
Total Operating Expenses (ex-Depreciation, amortization and impairment)	(463.6)	(479.3)	(404.6)	(418.8)	(60.6)	(61.8)
EBITDA	341.9	346.1	333.2	328.7	8.7	17.4
margin %	42.5%	42.2%	45.3%	44.2%	12.6%	22.2%
Costs related to voluntary leave schemes	0.6	0.1	0.6	-	-	0.1
Other restructuring costs	-	-	-	-	-	-
Adjusted EBITDA	342.5	346.2	333.8	328.7	8.7	17.5
margin %	42.6%	42.2%	45.3%	44.2%	12.6%	22.3%
Depreciation of lessee use rights to leased assets	(18.2)	(18.7)	(13.5)	(13.3)	(4.7)	(5.4)
Interest expense on leases	(2.3)	(2.2)	(1.8)	(1.8)	(0.5)	(0.4)
Adjusted EBITDA (AL)	322.0	325.3	318.5	313.6	3.5	11.7
margin %	40.1%	39.7%	43.3%	42.2%	5.1%	14.9%

Capital expenditure (Capex) and Adjusted Capex

Capital expenditure is derived directly from the Financial Statements of the Group, line "Purchase of property, plant and equipment and intangible assets" of the Cash Flow Statement. The Group uses Capex to ensure that the cash spending is in line with its overall strategy for the use of cash. Adjusted Capex is defined as Capex excluding [spectrum payments](#).

OTE Group (€ mn)	Q1'23	Q1'22
Purchase of property plant and equipment and intangible assets - Capex	(79.9)	(93.0)
Spectrum Payments	-	-
Adjusted CAPEX	(79.9)	(93.0)

Free Cash Flow (FCF)- Free Cash Flow After Lease (AL) – Adjusted FCF After Lease (AL)

- Free Cash Flow is defined as net cash flows from operating activities, after payments for purchase of property plant and equipment and intangible assets (Capex) and adding the interest received. Free Cash Flow After Lease (AL) is defined as Free Cash Flow after lease repayments.
- Adjusted FCF After Lease (AL) facilitates comparability of Cash Flow generation with industry peers and discussions with the investment analyst community and debt rating agencies. It is calculated by excluding from the Free Cash Flow After Lease (AL) [spectrum payments](#), [payments for voluntary leave schemes](#) and [payments for other restructuring costs](#).

FCF After Lease (AL) and Adjusted FCF After Lease (AL) are intended to measure the cash generation from the Group's business activities while facilitate the understanding the Group's cash generating performance as well as availability for debt repayment, dividend distribution and own reserves.

OTE Group (€ mn)	Q1'23	Q1'22
Net cash flows from operating activities	323.1	335.5
Purchase of property, plant, equipment & intangible assets	(79.9)	(93.0)
Interest received	2.0	0.4
Free Cash Flow	245.2	242.9
Lease repayments	(19.1)	(21.1)
Free Cash Flow After Lease (AL)	226.1	221.8
Payment for voluntary leave schemes	2.1	1.4
Payment for other restructuring costs	0.6	4.6
Spectrum payments	-	-
Adjusted Free Cash Flow After Lease (AL)	228.8	227.8

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. For the respective period of 2023 and the comparable period of 2022, Profit to owners of the parent was impacted only by costs related to voluntary leave schemes.

After Tax impact (€ mn)	Q1'23	Q1'22
Profit to owners of the Parent (reported)	135.3	129.4
Costs related to voluntary leave schemes	0.5	0.1
Adjusted Profit to owners of the parent	135.8	129.5

I. GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in € mn	31/03/2023	31/12/2022
ASSETS		
Non - current assets		
Property, plant and equipment	2,103.5	2,081.1
Right-of-use assets	253.0	266.6
Goodwill	376.6	376.6
Telecommunication licenses	288.1	296.1
Other intangible assets	308.4	335.1
Investments	0.1	0.1
Loans to pension funds	63.7	64.7
Deferred tax assets	180.2	178.2
Contract costs	30.7	30.2
Other non-current assets	74.6	75.3
Total non - current assets	3,678.9	3,704.0
Current assets		
Inventories	59.7	54.0
Trade receivables	478.2	471.2
Other financial assets	5.1	4.8
Contract assets	54.2	49.6
Other current assets	122.6	123.7
Restricted Cash	1.8	1.8
Cash and cash equivalents	784.3	590.1
Total current assets	1,505.9	1,295.2
TOTAL ASSETS	5,184.8	4,999.2

Amounts in € mn	31/03/2023	31/12/2022
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	1,227.3	1,227.3
Share premium	438.9	438.9
Treasury shares	(94.0)	(73.5)
Statutory reserve	440.7	440.7
Foreign exchange and other reserves	(141.3)	(138.8)
Changes in non-controlling interests	(3,314.1)	(3,314.1)
Retained earnings	3,403.4	3,267.9
Total equity attributable to owners of the Parent	1,960.9	1,848.4
Non-controlling interests	0.5	0.5
Total equity	1,961.4	1,848.9
Non-current liabilities		
Long-term borrowings	870.2	881.5
Provision for staff retirement indemnities	96.0	96.7
Provision for youth account	84.9	86.1
Contract liabilities	39.8	40.8
Lease liabilities	174.6	182.1
Deferred tax liabilities	0.4	0.4
Other non – current liabilities	39.1	55.7
Total non – current liabilities	1,305.0	1,343.3
Current liabilities		
Trade accounts payable	886.7	874.0
Short-term borrowings	150.0	150.0
Short-term portion of long-term borrowings	23.1	23.1
Income tax payable	149.6	92.3
Contract liabilities	137.2	136.1
Lease liabilities	70.1	76.1
Dividends payable	2.4	2.4
Other current liabilities	499.3	453.0
Total current liabilities	1,918.4	1,807.0
TOTAL EQUITY AND LIABILITIES	5,184.8	4,999.2

II. GROUP CONSOLIDATED INCOME STATEMENT

Amounts in € mn	Q1'23	Q1'22	+/- %
Total revenues	803.6	820.3	-2.0%
Other operating income	1.9	5.1	-62.7%
Operating expenses			
Interconnection and roaming costs	(86.4)	(105.7)	-18.3%
Provision for expected credit losses	(9.0)	(13.0)	-30.8%
Personnel costs	(109.8)	(113.1)	-2.9%
Costs related to voluntary leave schemes	(0.6)	(0.1)	-
Commission costs	(21.0)	(19.8)	+6.1%
Merchandise costs	(79.6)	(74.4)	+7.0%
Maintenance and repairs	(18.2)	(20.3)	-10.3%
Marketing	(14.2)	(12.5)	+13.6%
Other operating expenses	(124.8)	(120.4)	+3.7%
Total operating expenses before depreciation, amortization and impairment	(463.6)	(479.3)	-3.3%
Operating profit before financial and investing activities, depreciation, amortization and impairment	341.9	346.1	-1.2%
Depreciation, amortization and impairment	(160.7)	(166.9)	-3.7%
Operating profit before financial and investing activities	181.2	179.2	+1.1%
Income and expense from financial and investing activities			
Interest and related expenses	(7.9)	(8.2)	-3.7%
Interest income	2.0	0.4	-
Foreign exchange differences, net	0.2	0.4	-50.0%
Gains / (losses) from investments and other financial assets - Impairment	0.2	-	-
Total loss from financial and investing activities	(5.5)	(7.4)	-25.7%
Profit before tax	175.7	171.8	+2.3%
Income tax	(40.4)	(42.3)	-4.5%
Profit for the period	135.3	129.5	+4.5%
Attributable to:			
Owners of the parent	135.3	129.4	+4.6%
Non-controlling interests	0.0	0.1	-100.0%

III. GROUP REVENUES

Amounts in € mn	Q1'23	Q1'22	%
Fixed business:			
Retail services revenues	229.2	239.6	-4.3%
Wholesale services revenues	124.8	143.6	-13.1%
Other revenues	74.7	66.8	+11.8%
Total revenues from fixed business	428.7	450.0	-4.7%
Mobile business:			
Service revenues	283.3	281.7	+0.6%
Handset revenues	66.0	57.8	+14.2%
Other revenues	3.7	10.8	-65.7%
Total revenues from mobile business	353.0	350.3	+0.8%
Miscellaneous other revenues	21.9	20.0	+9.5%
Total revenues	803.6	820.3	-2.0%

IV. GROUP CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in € mn	Q1'23	Q1'22	%
Cash flows from operating activities			
Profit before tax	175.7	171.8	+2.3%
Adjustments for:			
Depreciation, amortization and impairment	160.7	166.9	-3.7%
Costs related to voluntary leave schemes	0.6	0.1	-
Provision for staff retirement indemnities	(4.2)	1.0	-
Provision for youth account	0.2	0.3	-33.3%
Foreign exchange differences, net	(0.2)	(0.4)	-50.0%
Interest income	(2.0)	(0.4)	-
(Gains) / losses from investments and other financial assets-			
Impairment	(0.2)	-	-
Interest and related expenses	7.9	8.2	-3.7%
Working capital adjustments:	(20.7)	(3.1)	-
<i>Decrease / (increase) in inventories</i>	<i>(5.7)</i>	<i>(8.0)</i>	<i>-28.8%</i>
<i>Decrease / (increase) in receivables</i>	<i>(9.8)</i>	<i>8.4</i>	<i>-</i>
<i>(Decrease) / increase in liabilities (except borrowings)</i>	<i>(5.2)</i>	<i>(3.5)</i>	<i>+48.6%</i>
Payment for voluntary leave schemes	(2.1)	(1.4)	+50.0%
Payment of staff retirement indemnities and youth account, net of employees' contributions	(1.8)	(2.0)	-10.0%
Interest and related expenses paid (except leases)	(4.1)	(3.2)	+28.1%
Interest paid for leases	(2.3)	(2.2)	+4.5%
Income tax paid	15.6	(0.1)	-
Net cash flows from operating activities	323.1	335.5	-3.7%
Cash flows from investing activities			
Sale or maturity of financial assets	-	0.7	-
Purchase of financial assets	(0.6)	(0.1)	-
Repayment of loans receivable	1.8	1.8	0.0%
Purchase of property, plant and equipment and intangible assets	(79.9)	(93.0)	-14.1%
Interest received	2.0	0.4	-
Net cash flows used in investing activities	(76.7)	(90.2)	-15.0%
Cash flows from financing activities			
Acquisition of treasury shares	(20.0)	(71.1)	-71.9%
Repayment of loans	(11.5)	(11.5)	0.0%
Lease repayments	(19.1)	(21.1)	-9.5%
Financial liabilities related to wallets	(1.5)	-	-
Dividends paid to Company's owners	-	(0.1)	-
Net cash flows used in financing activities	(52.1)	(103.8)	-49.8%
Net increase in cash & cash equivalents	194.3	141.5	+37.3%
Cash and cash equivalents, at the beginning of the period	590.1	630.7	-6.4%
Net foreign exchange differences	(0.1)	0.1	-
Cash and cash equivalents, at the end of the period	784.3	772.3	+1.6%