

**INVITATION TO SUBMIT AN EXPRESSION OF INTEREST
FOR AN INVESTMENT IN CYTA HELLAS S.A.**

1 Introduction

- 1.1 CYPRUS TELECOMMUNICATIONS AUTHORITY ("**CYTA**") is a public corporation established by the Telecommunications Service Law (Cap. 302 as amended) and operating under the laws of Cyprus. CYTA's business is to provide telecommunication services, both nationally and internationally. CYTA is considered to be the leading provider of integrated electronic communication services in Cyprus with presence also in Greece and the United Kingdom.
- 1.2 CYTA HELLAS TELECOMMUNICATIONS S.A. ("**Company**") is a company established and operating under the laws of Greece. The Company was founded in 2007 and is based in Athens, Greece. The Company's product offering in Greece initially included fixed voice and broadband while since 2013 it also includes internet protocol television services and since 2014 mobile voice services. The Company is owned and controlled by CYTA, which holds a direct stake of 11.71% in the Company, while DIGIMED COMMUNICATIONS LTD (a wholly owned subsidiary of CYTA) ("**DIGIMED**") holds 88.29% of the Company. A summary briefing document relating to the Company can also be made available upon request.
- 1.3 By virtue of a decision of its board of directors dated March 28th 2017, CYTA decided to initiate a process to explore the potential divestment of its participation in the Company, where it holds (directly and indirectly) shares representing 100% of the Company's share capital ("**Shares**") and by virtue of a decision of its board of directors dated August 1st 2017, CYTA decided to proceed with a competitive tender process ("**Tender Process**"), conducted in two (2) phases, namely a qualification phase and a binding offers phase.
- 1.4 The contemplated divestment shall be effected by means of acquisition of all or part of the Shares by the Preferred Bidder (as defined below) ("**Transaction**"). CYTA may decide to accept cash offers for the Shares ("**Cash Consideration**"), while it also reserves the right to accept considerations in other forms such as shares ("**Non-Cash Consideration**"). Details on the consideration form and the exact Transaction structure will be specified in the Request for Binding Offers (as defined below).
- 1.5 PricewaterhouseCoopers Business Solutions S.A. (PwC) (the "**Financial Adviser**"), Bernitsas Law Firm (Greece) and Georgiades & Pelides LLC (Cyprus) (together the "**Legal Adviser**") are acting as advisers to CYTA in respect of the Transaction (together the "**Advisers**").

2 Tender Process – Qualification Phase

- 2.1 In the first phase of the Tender Process ("**Qualification Phase**"), which is regulated by the terms and conditions of this Invitation, interested parties are invited to submit, either as single legal entities or as consortia (each an "**Interested Party**") a non-binding expression of interest for the acquisition of all or part of the Shares. Interested Parties are requested to indicate their preference between a Cash Consideration and a Non-Cash Consideration and in the case of the latter provide details about the security that they intend to offer as consideration.
- 2.2 Based on the terms and conditions set out in this Invitation, CYTA will determine, at its sole discretion, whether or not an Interested Party qualifies ("**Qualified Party**") to participate in

the second phase of the Tender Process ("**Binding Offers Phase**"). Interested Parties will be notified in writing by the Financial Adviser of CYTA whether or not they qualify to participate in the Binding Offers Phase.

3 Tender Process – Binding Offers Phase

- 3.1 Upon its qualification as per par. 2.2 of this Invitation, each Qualified Party will be required to sign a confidentiality agreement ("**Confidentiality Agreement**") to be provided by CYTA. Immediately after execution of the Confidentiality Agreement, each Qualified Party will be:
- (i) provided with a request for binding offers outlining the details of the Binding Offers Phase, including instructions for the submission of binding offers ("**Request for Binding Offers**");
 - (ii) granted the right to carry out due diligence in relation to the Company, including access to a virtual data room ("**VDR**") containing information relating to the Company;
 - (iii) provided with a vendor's legal due diligence report ("**Legal VDDR**"), a vendor's financial due diligence report ("**Financial VDDR**") and a vendor's tax due diligence report ("**Tax VDDR**");
 - (iv) granted the opportunity to participate to selected site visits in relation to the Company and/or attend a presentation by the management of the Company;
 - (v) provided with a draft share purchase agreement ("**SPA**") for the acquisition of all or part of the Shares in respect of which it will have the opportunity to submit comments within deadlines, as may be specified by CYTA; and
 - (vi) potentially provided with additional draft transaction documents, depending on the pursued structure of the Transaction.
- 3.2 The details for the Binding Offers Phase will be set out in the Request for Binding Offers.

4 Expression of Interest

- 4.1 Each Interested Party wishing to participate in the Tender Process should express its non-binding interest ("**Expression of Interest**") by submitting the documentation specified in par. 5 of this Invitation ("**Qualification Documents**") by no later than 17:00 Athens time (GMT+2) on 27 September 2017 ("**Expiry Date**"). Any Expression of Interest received after the Expiry Date will not be accepted. Any delay by accident or for reasons of force majeure or for any other reason that results in the submission of the Expression of Interest after the Expiry Date shall not be recognized as a justified reason for late receipt of the Expression of Interest.
- 4.2 Expression of Interest accompanied by the Qualification Documents should be submitted to Mr. George Makripidis, Director, PwC, 268 Kifissias Avenue, Halandri, Athens, Greece, tel: +30 210 687 4541, email: george.makripidis@gr.pwc.com, in electronic form, either stored in an electronic storage device (e.g. CD-ROM, DVD or USB stick) to be submitted in hand or by courier or emailed to the above person.
- 4.3 An Interested Party may only submit one Expression of Interest. A member of a consortium may not participate in more than one consortium at the same time during the Tender Process, nor may a member of a consortium participate in the Tender Process also as a single Interested Party. A breach of these provisions would result in the relevant Interested Party and any consortium of which it is a member being disqualified.
- 4.4 Qualification Documents should be in English or in Greek.
- 4.5 Qualification Documents must be either originals or true copies certified as such by an officer or representative of a competent judicial or administrative authority or notary public or a

lawyer that has such a right under the laws of the jurisdiction to which the relevant Interested Party is subject.

- 4.6 CYTA reserves the right, at any time during the Tender Process, to request, in addition to the Qualification Documents, clarifications, verification or evidence of compliance with the terms set out in this Invitation.

5 Qualification Documents

The Expression of Interest to be submitted by the Interested Parties should include the following:

- 5.1 A letter of Expression of Interest, signed by a duly authorised representative of the Interested Party (and in the case of a consortium, signed by the duly authorised representative of each member of such consortium), including the following information and declarations, presented in the order set out below:

- (i) The Interested Party's full name, registered office address, phone and fax numbers, email address and internet website address.

In the case of a consortium, the Expression of Interest should also include: (a) details of its composition, indicating the percentage participation of each member in the consortium, (b) full name, address, registered office address, phone and fax numbers, email address and internet website address of each member of the consortium, (c) the designated Leader (as defined below) of the consortium. Any change in the composition of a consortium at any time after the submission of the Expression of Interest and prior to the submission of the Binding Offer shall be immediately notified to CYTA.

In the case of a private equity firm or a fund, the Expression of Interest should also include the full name, address, registered office address, phone and fax numbers, email address and internet website address of the investment manager/general partner.

- (ii) Details of the Interested Party's shareholding / ownership structure. Any change in the shareholding of the Interested Party at any time after the submission of the Expression of Interest and prior to the submission of the Binding Offer shall be immediately notified to CYTA.

In the case of a consortium, details of shareholding/ownership structure in each consortium member.

In the case of a private equity firm or a fund, details of the ownership of the investment manager/general partner.

- (iii) Details of the composition of the board of directors or other relevant administrative or competent corporate bodies of the Interested Party.

In the case of a consortium, details of the composition of the board of directors or other relevant administrative or competent corporate bodies of each member of the consortium.

In the case of a private equity firm or a fund, details of the board of directors or the investment committee and the advisory committee or other relevant administrative or competent corporate bodies of the investment manager/general partner.

- (iv) Details of the legal representative of the Interested Party (including name, address, phone/ fax numbers and email address) until completion of the Tender Process. Any

change in the authorised representative at any time after the submission of the Expression of Interest and prior to the submission of the Binding Offer shall be immediately notified to CYTA.

- (v) Details of a contact person for all communications between CYTA and the Interested Party (including name, address, phone/ fax numbers and email address) until completion of the Tender Process. Any change in the contact person at any time after the submission of the Expression of Interest and prior to the submission of the Binding Offer shall be immediately notified to CYTA.
- (vi) Declarations that the Interested Party: (a) unconditionally and unreservedly accepts the terms of this Invitation; (b) there are no matters which restrict the Interested Party from submitting the Expression of Interest and confirmation that the Interested Party's board of directors, investment committee or any other body with equivalent decision-making authority has consented to the Interested Party's response to the present Invitation; (c) participates in the Tender Process at the sole risk and expense of the Interested Party and that the participation as such does not establish any right to compensation from CYTA, DIGIMED or the Company; (d) acknowledges that disqualification from the Tender Process or failure to succeed in the Tender Process is at the sole discretion of CYTA and does not establish any right to compensation for the Interested Party; and (e) is acting as principal and not as agent.
- (vii) A description of the Interested Party's experience in the telecommunication sector.
- (viii) A brief explanation of the strategic rationale for the Interested Party's interest in the Company. In particular, the Interested Party should outline the following: (a) the Interested Party's strategic rationale for acquiring the Company and its intended investment horizon; (b) the intentions of the Interested Party regarding the development, operation and management of the Company under its ownership in the future, including any intentions to integrate the business into the Interested Party's existing organisation, if applicable, and how it expects this would impact the Company; (c) the Interested Party's views on the requirements for further investments, if any, and/or any plans to further grow the business after a potential acquisition.
- (ix) Details of the sources the Interested Party intends to use, and has access to, in order to fund the Transaction, including debt and equity financing.
- (x) An initial assessment by the Interested Party on any potential issues which the Interested Party envisages in terms of process, timing, due diligence and other information requirements in order to be able to submit a fully financed Binding Offer. This assessment should include:
 - a. details of any potential issues which it envisages in terms of process, timing, due diligence and other information requirements in order to be able to submit a fully financed Binding Offer, as well as its views on how these issues will be addressed;
 - b. details of any and all necessary corporate, regulatory and other approvals required in order for the Interested Party to be able to submit a fully financed Binding Offer, along with a detailed assessment of any relevant risks that such approval(s) may not be granted, including details of likely issues and concerns (and how they will be addressed), as well as an indication of the expected timeframe for the issuance of any such approval(s); and
 - c. overview of all the relevant regulatory approvals the Interested Party anticipates that will be required for the consummation of the Transaction (including any European and national merger antitrust control requirements) and a preliminary assessment of any potential risk factors that would delay the issuance of the

relevant regulatory approvals, and how the Interested Party plans to mitigate any risk for CYTA in relation to the Transaction arising as a result of such requirements.

- (xi) An indication as to the preference of the Interested Party between a Cash and a Non-Cash Consideration and in the case of the latter, a detailed description of the security to be offered as consideration.
 - (xii) Details on any conditions and requirements for the Interested Party.
- 5.2 Copies of the financial statements of the Interested Party (and in case of a consortium of each consortium member) of the last three audited (3) financial years. If the Interested Party (or a member of an Interested Party) is a parent company, copies of the consolidated financial statements of that person for the last three (3) audited financial years should also be submitted. If the Interested Party is a private equity firm or a fund, copies of the financial statements of the last three (3) financial years of the private equity firm or fund and copies of the financial statements of the last three (3) financial years of its investment manager / general manager.

6 Consortia

- 6.1 Each consortium must designate in the Expression of Interest one of its members as the leader ("**Leader**") which must be designated to exercise sole -or at least joint- control (within the meaning of EU Regulation 139/2004/EC) over the consortium. Upon its designation, the Leader shall represent the consortium until completion of the Tender Process. The Leader may change following approval of CYTA by: (i) designation of another member of same consortium as Leader provided that the new Leader meets the requirements set out above; or (ii) by designation of an affiliate of the Leader as the new Leader; or (iii) a third party joining the Qualified Party as per 6.2, 6.3 or 6.4 below.
- 6.2 Following the submission of the Expression of Interest and until the date falling fifteen (15) days prior to the date of submission of the Binding Offers ("**Lock in Date**"), the composition of a consortium which has been designated as Qualified Party can change with one or more of the following means (without prejudice to the provisions of par. 6.4): (i) internal re-allocation of the participation percentages held in the consortium between its members; or (ii) exit of existing members (provided that in case the exiting member is the Leader, a new Leader meeting the requirements above must be designated) and reallocation of the participation percentages held in the consortium between the rest of its members; or (iii) entry of new members (which may be either affiliates of the members of the consortium or third parties that have not submitted an Expression of Interest) and reallocation of the participation percentages held in the consortium between its members.
- 6.3 Following the submission of the Expression of Interest and prior to the Lock in Date, third parties that have not submitted an Expression of Interest can: (i) either join a single Qualified Party and form a consortium; or (ii) participate in an existing consortium that has been declared as Qualified Party).
- 6.4 Any intended change in the composition of a consortium being a Qualified Party or change of the Leader, in accordance with the provisions of this paragraph, must be promptly notified to CYTA for its approval. All Qualification Documents may need, at CYTA's discretion, to be re-submitted. CYTA may reject the intended change in the composition of the consortium or the Leader and disqualify that Qualified Party if the intended change is not in compliance (or such compliance is not adequately evidenced) with the terms of this Invitation or the Request of the Binding Offers.
- 6.5 No change in the composition of a consortium or the participation percentages held by its members or the identity of its Leader is allowed after the Lock in Date.

7 Clarifications to this Invitation

Interested Parties may submit by e-mail requests for clarification of this Invitation to Mr. George Makripidis, Director, PwC, 268 Kifissias Avenue, Halandri, Athens, Greece, tel: +30 210 687 4541, email: george.makripidis@gr.pwc.com, by no later than five (5) calendar days prior to the Expiry Date.

8 Legal Notice

- 8.1 CYTA reserves the right at its discretion to postpone or cancel the Tender Process or modify the time schedule or any of the terms and conditions set out in this Invitation at any time without incurring any liability vis-à-vis the Interested Parties or the Qualified Parties and/or any third parties.
- 8.2 Interested Parties shall participate in the Tender Process at their own cost and risk and such participation does not give any grounds for any right for compensation from CYTA, DIGIMED or the Company or any of the Advisers. Participation in the Tender Process shall constitute proof that the Interested Party has unconditionally accepted the terms and conditions thereof.
- 8.3 This document is not intended to form the basis of any investment decision or investment recommendation made by CYTA or any of the Advisers. Each Interested Party to whom the document is made available must make its own independent assessment after making such investigation and taking such professional advice, as it deems necessary.
- 8.4 Unless explicitly permitted by the provisions of this Invitation, Interested Parties are not allowed to engage into any kind of communication with CYTA and / or the Company or any of the directors, officers, employees, professional advisers and agents of the Company in relation to the Transaction.
- 8.5 CYTA may be required to disclose certain information relating to the Expressions of Interest submitted to the House of Representatives of the Republic of Cyprus and/or to any competent administrative or regulatory authority.
- 8.6 Whilst the information contained in this document, or the summary briefing document relating to the Company, have been prepared in good faith, they are not comprehensive and have not been verified independently by CYTA, or its Advisers. No representation, warranty or undertaking, expressed or implied is or will be made by CYTA, or its Advisers, or any agents, servants, officers or affiliates of CYTA and its Advisers in relation to the accuracy, adequacy or completeness of this document.
- 8.7 This Invitation and the Request for submission of Binding Offers to be issued by CYTA shall be governed by and construed in accordance with the laws of Cyprus. The courts of Nicosia (Cyprus) shall have exclusive jurisdiction in relation to any disputes arising from or in relation to this Invitation.