

To:

Mr. Tomislav Donchev

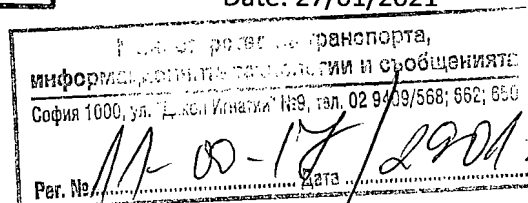
Deputy Prime Minister,

CC:

Mr. Rosen Jeliaskov

Minister of Transport, Information Technology and Communications,

Date: 27/01/2021



## LETTER OF INTEREST

From:

Telenor Bulgaria EAD and CETIN Bulgaria EAD,

Address: Building 6, Business Park Sofia, Mladost Distr.

Sofia 1766

Dear Sirs,

It is our firm believe that the Recovery and Resilience Facility (RRF) has a tremendous and unprecedented potential for not only the Bulgarian society and businesses on the whole which have been heavily impacted by the COVID-19 pandemic but on the development of electronic communications in Bulgaria in particular allowing for a significant step change in terms of achieving an entirely new level of digital connectivity in the country. We therefore declare our full support to the State in order to ensure the best possible approach with respect to the funds that will be made available by the EU in view of overcoming the aftermath of the pandemic and try and guarantee that we, as industry leaders together with the State reap the full benefit of this opportunity for the entire society. We also would like to offer the State our well established expertise in the determination of the parameters under the Connectivity chapter of the National Plan for Recovery and Resilience that needs to be presented to the European Commission for its ultimate approval by the end of April.

In this vein, we would like to also stress our understanding that the primary goal of the RRF in the sphere of digital and green transitions is to leverage private investment into achieving this new level of connected European society which is resilient to the aftermath of the current crisis and yet to overcome future crises much faster compared to what would otherwise be commercially possible by making sure that the significance of the funds made available is of consequence to match the task. It


is clear to us that, however successful and willing to invest our industry is, we could never achieve the magnitude of the set by the EU goal by ourselves. At the same time, it is as equally crucial to ensure that by carrying out the task set by the EU's Recovery and Resiliency policy, the State is investing in a way that would ultimately not crowd out private investment in areas that are commercially viable. It is, clearly, a fragile balance between the two requirements which should imperatively be taken utmost account thereof. We believe in this regard that the best possible approach would be to allow operators to lead the investment initiative in parallel with the State by supporting it in overpassing the gap necessary to reach the targeted achievement in terms of next level digital connectivity and ultimately overcoming the digital divide.

In this respect we fully support the choice of the 4 axes preliminary outlined by the Ministry, namely the deployment of uninterrupted border-to-border 5G coverage along the highways, the roll-out of ultra-high-speed broadband networks with focus on peripheral, sparsely populated and rural areas, the green initiative for equipping base stations with alternative energy solutions, as well as setting a sensible voucher scheme for 5G devices thus ensuring that the consumers get the full benefit of the newly built infrastructure.


Our preliminary assessment of the investment necessary to achieve the above general targets is overall 440 million euros, of which up to one third could be of private source coming from the Telco sector. This approach would also be in line with European Commission's vision according to which RRF's funds should ideally be deployed in a way that supports operators to expand and modernize their fixed and wireless networks

Taking into consideration the above, we would like to thank you for the opportunity to present and discuss the investors' standpoint on the matter and potential made possible under the EU's RRF for Bulgaria's digital connectivity through the deployment of very high-capacity networks. We remain at your disposal to further participate in the discussions around the setting of the concrete parameters and terms that will frame the utilization of the RRF in Bulgaria.

Respectfully,



Jason King  
CEO  
Telenor Bulgaria



Petar Mudrinic  
CEO  
CETIN Bulgaria

