Forthnet

ANNUAL REPORT

For the year

1 January 2018 to 31 December 2018

According to Law 3556/2007

In accordance with the International Financial Reporting Standards as adopted by the European Union

Forthnet S.A.
Registration No S.A. 34461/06/B/95/94
G.E.M.I. 77127927000
Scientific Technological Park of Crete
Vassilika Vouton, Iraklion Crete 71003
http://www.forthnet.gr

INDEX TO THE ANNUAL REPORT

STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

<u>Statements of the Members of the Boards of Directors</u>
<u>(in accordance with article4 par. 2 of L. 3556/2007)</u>

The following statements, which are effected in accordance with article 4 par. 2 of the L.3556/2007, as applicable, are given by the following Members of the Board of Directors of the Company:

1. Deepak Srinivas Padmanabhan of Velaidam, resident of Dubai, UAE, President of the Board of Directors
2. Panos Papadopoulos of George, resident of Glyfada Attica, 8 Liviis street,Ano Glyfada, Vice-President of the Board of Directors and CEO and
3. Mohsin Majid of Khawaja Abdul, resident of Dubai, UAE, Member of the Board of Directors

The undersigned, in our above-mentioned capacity, as specifically appointed by the Board of Directors of the societe anonyme company under the name “Hellenic Company of Telecommunications and Telematic Applications Societe Anonyme” and trade title “Forthnet S.A.” (hereinafter referred to as “Company” or as “Forthnet”), we state and we assert that to the best of our knowledge:

(a) the financial statements of the Company and the Group of the society anonyme company under the name “Hellenic Company of Telecommunications and Telemetric Applications Societe Anonyme” and trade title “Forthnet S.A.” for the period from January 1, 2018 to December 31, 2018, which were compiled according to the applicable International Financial Reporting Standards, as adopted by the European Union, provide a true and fair view of the assets and the liabilities, the equity and the results of the Company, as well as the companies’ which are included in the consolidation, according to that stated in paragraph 3 of article 4 of the L.3556/2007 and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

(b) the annual Report of the Board of Directors of the Company provides a true and fair view of the evolution, the achievements and the financial position of the Company, as well as the companies which are included in the consolidation, including the description of the main risks and uncertainties they face and relevant information that is required according to paragraphs 6 to 8 of article 4 of the L. 3556/2007, and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

Iraklio, April 25, 2019

Deepak Srinivas Padmanabhan	Panagiotis Papadopoulos	Mohsin Majid
President of the Board of Directors	Vice-President of the Board of Directors and Chief Executive Officer	Member Of the Board of Directors

BOARD OF DIRECTORS' REPORT ON THE FINANCIAL STATEMENTS
of
«Hellenic Company for Telecommunications and Telematic Applications S.A. - Forthnet S.A.»
(according to the regulations of par. 6 of article 5 of L. 3556/2007)

Regarding the consolidated and separate Financial Statements
for the year ended December 31, 2018

The report of the Board of Directors of the Hellenic Company for Telecommunications and Telematic Applications S.A. (hereafter refer to as "Forthnet" or the "Company") has been prepared in accordance with the article 4, law 3556/2007 and refers to the Annual Financial Statements (Consolidated and Standalone) for the period January 1, 2018 to December 31, 2018.

The Board of Directors report includes an analysis of the Company's financial performance for the period January 1st, 2018 to December 31, 2018, the significant events that took place in the year 2018, a description of the main risks and uncertainties for the next financial year, as well as the prospects of the Group for the next financial year. The report also includes the corporate governance statement, the non-financial report, the significant transactions of the Group and the Company with their related parties, as well as other data required by the relevant legislation.

1. PERFORMANCE AND KEY FINANCIAL DATA

- Strict adherence to the Company's operational restructuring program leads to positive operating results – EBITDA reached €42.3 million, increased by 5.3%. Total revenue for the year reached € 285.2 million.
- At Group level revenue from business customers increased by 5.9% and revenue from advertising by 14%.
- The Group has 927 thousand retail subscriptions, serves 669 thousand unique households, 550 thousand broadband subscribers and 478 thousand retail and wholesale Pay TV subscribers in Greece and Cyprus.
- Forthnet is in the process of entering the mobile telephony market as a virtual provider (MVNO), following regulatory decisions that after many years, have finally aligned the Greek mobile telephony market framework with that of the rest EU countries.
- Demand and subscriber base in Pay TV continue to be affected by the over-taxation of the consumers and the industry, as well as the unfair competition from multinational companies, which provide comparable services without being subject to the same tax burdens.

	12M 2018	12M 2017	Variance
Total Subscriptions	**927,481**	**981,678**	**-5.5%**
Unique Households	668,503	691,792	-3.4%
Households with 3play/Bundled Services	258,978	289,886	-10.7%
Broadband subscribers	550,135	562,361	-2.2%
Pay TV retail subscribers	377,346	419,317	-10.0%
Pay TV wholesale subscribers	100,295	59,007	70.0%

According to **CEO, Mr. Panos Papadopoulos:**
"In 2018 we recorded EBITDA growth of 5.3% on an annual basis, despite the over-taxation of the Greek Pay TV sector and the unfair competition we face from multinational companies operating in the Greek Pay TV market.

Our positive results are due to the successful implementation of the Company's operational restructuring plan, which has reduced fixed costs and improved our operating performance. Our strategic decision for the wholesale distribution or our premium sports and cinematic content to final customers through more Pay TV providers in Greece and Cyprus, continues to bear fruit and strengthens our strategic positioning in the Pay TV sector in Greece and Cyprus.

Recent decisions by the Greek Regulatory Authority and the European Commission that support our views regarding the wholesale price framework for Mobile Virtual Network Operators (MVNOs), constitute a Game Changer development for our Company. For the first time, the necessary conditions exist enabling us to develop a viable business by offering to consumers mobile services under competitive terms, and covering thus in an integrated manner the needs of Greek households for communication services and home entertainment.

OPERATING PERFORMANCE

Bundling/3Play

At the end of December 2018, Forthnet served 259.0 thousands households with Nova 3play/bundled services. The share of Nova 3Play subscriptions in Forthnet's customer base stood at 38.7 %.

	12M 2018	12M 2017	Variance
Households with 3play/Bundled Services	258,978	289,886	-10.7%
Households with 3play/Bundled Services as % of total	38.7%	41.9%	-3.2%

Telecommunication services

At the end of December 2018, active LLU customers stood at 536.4 thousands.

	12M 2018	12M 2017	Variance
Broadband subscribers[1]	550,135	562,361	-2.2%
Active LLU customers	536,364	547,691	-2.1%
Unbundling Ratio	97.5%	97.4%	0.1%
LLU market share	25.3%	25.9%	-0.6%

Pay TV services

At the end of December 2018 Pay TV retail and wholesale subscriber base stood at 377.3 and 100.3 thousands respectively.

	12M 2018	12M 2017	Variance
Pay TV subscribers Retail Greece & Cyprus	377,346	419,317	-10.0%
Pay TV subscribers Wholesale Greece & Cyprus[2]	100,295	59,007	70.0%
Total Pay TV subscribers	**477,641**	**478,324**	**-0.1%**

Financial Highlights for the year ended 2018

Consolidated revenue for 2018 reached € 285.2 million, decreased compared to 2017, due to the decline in the consumer spending and a more conservative commercial approach followed by the Company as well as due to the decrease in our subscribers base. The advertising revenue increased by 14.0% as a result of constantly upgraded content of NOVA. Similarly, revenues from corporate customers increased by 5.9%.

[1] Active and under activation subscribers
[2] Total wholesale subscribers in Greece and Cyprus (Vodafone, Wind, Cyta Cyprus, Cablenet, MTN και Primetel)

Revenue analysis (€ '000)	**12M 2018**	**12M 2017**	**Variance**
Total Retail	**196,746**	**215,613**	**-8.7%**
Telco Retail	108,624	116,032	-6.4%
Pay TV Retail	88,122	99,581	-11.5%
Total Business	**59,136**	**55,843**	**5.9%**
Telco Business	34,548	36,877	-6.3%
Pay TV Business	24,588	18,966	29.6%
Advertising	9,317	8,173	14.0%
Other revenues	20,044	17,433	15.0%
Total revenues	285,244	297,062	-4.0%

EBITDA for the year ended 2018 amounted to € 42.3 mil., compared to € 40.2 mil. for the year ended 2017, benefited by the continuous improvements in operational costs and despite the pressure on prices and the adverse macroeconomic environment.

EBITDA analysis (€ '000)	**12M 2018**	**12M 2017**	**Variance**
Revenues including other income	285,244	297,062	-4.0%
EBITDA	42,346	40,217	5.3%
EBITDA margin	14.8%	13.5%	1.3%

It is noted that EBITDA ratio (operational earnings before interest, taxes, depreciation and amortization) is calculated as follows:

	Group	
	01.01. - 31.12.2018	**01.01. - 31.12.2017**
Revenue from contracts with customers	281,594,563	294,037,227
Other income	3,648,948	3,024,337
Operating expenses before depreciation, amortization and impairment	(241,960,537)	(255,674,155)
Less: Goverments grants amortization	(936,806)	(1,169,949)
EBITDA	42,346,168	40,217,460

It is noted that the Operating expenses before depreciation & amortization and impairment of investments is calculated as follows:

	01.01. - 31.12.2018	**01.01. - 31.12.2017**
Telecommunications costs	-78,573,469	-82,739,228
Royalties and licenses	-69,822,058	-77,298,773
Cost of sales of inventory and consumables	-1,827,271	-2,600,690
Advertising and promotion costs	-5,112,602	-6,423,097
Payroll and related costs	-33,843,390	-35,781,542
Sundry expenses	-52,781,747	-50,830,825
Operating costs before depreciation, amortization and impairment of investments	**-241,960,537**	**-255,674,155**

At Group level, the total bank borrowings (bond loans and short-term borrowings) as of December 31, 2018 amounted to €256.3 million[3], and is increased by € 0.1 million compared to 31 December 2017 (31 December 2017: € 256.2 million).

[3] Excluding the convertible bond loan

2. SIGNIFICANT EVENTS FOR THE YEAR ENDED 2018

Content Rights
During 2018:

- **With regards to premium films and other entertainment content**, Nova extended the multi-year partnership with Twentieth Century Fox, one of the Majors of Hollywood with strong blockbusters and a long library, for 1st Pay content, exclusively in Greece & Cyprus.
- Furthermore, Nova extended its current agreement with Sony pictures, also one of the Major Studios of Hollywood, securing at the same time new rights and enriched content.
- Nova closed a new multi-year agreement with MGM, for Pay 1 content, exclusively in Greece & Cyprus, including the next James Bond, and concurrently secured the full Bond franchise for its subscribers.
- At the same time, Nova managed to secure a 1st pick among the most successful and edgy series of MGM for the next years, exclusively as a first run, in Greece & Cyprus, after the very successful series The Handmaid's Tale, who won so many awards!
- Nova extended its multi-year partnership with HBO, the greatest TV content, production & distribution company in the US, with lots of great series like Game of Thrones, Big Little Lies, Westworld, etc.
- Nova secured the rights for the live transmission, exclusively in Greece & Cyprus, of the international and very popular awards like Golden Globe Awards, SAG Awards, Bafta Awards.
- Nova continued the multi-year collaboration with Spentzos Film, with new packages of 1st Pay content.
- Nova launched a. an additional cinema channel, the Awards channel (with movies that have achieved distinctions at the international awards ceremonies, but also at the most famous film festivals); b. the Nova X-Men HD thematic channel with all the popular super heroes, c. the Nova Christmas channel with daily blockbusters and family movies; d. special tributes, like "Total Spies", all the above with the goal to provide the outmost successful on demand experience to its subscribers, with several sub-categories, monthly tributes, kids zone, box sets, etc.
- Nova further enriched the Nova On Demand and Nova GO services with additional content from Nick Jr, E! entertainment, documentaries from National Geographic, etc.
- Nova extended its multi-year partnership with the very popular kids channel Boomerang, while securing at the same time enhanced rights for an enriched viewing.
- Nova extended its agreement with the international sports channel Fox Sports, enriching the sports content that offers to its subscribers, as well as extended the agreement with the music channel Mezzo, covering this way the fans of classic music.

- **With regards to premium sports,** Nova proceeded with the early termination of the Collective Rights Management Agreements with Super League (the organising authority of the Men's 1st Division Greek Football Championship). Following this termination, the Company concluded bilateral agreements with nine (9) football clubs (PAEs), according to which it acquired the exclusive, global media rights not only for the broadcasting of their home matches in the context of the Greek Super League Championship, but, also, for their friendly and European home qualifier matches. In that respect, Nova platform secured the exclusive media rights of the three most popular Greek teams (AEK, Olympiacos and PAOK), from one hand maintaining high commercial value of the Greek football asset and on the other substantially decreasing the acquisition cost for the Greek football product.
- Furthermore, Nova enriched the list of sports rights with the famous and top tier Italian football Championship (Serie A), as well as the Eurocup basketball competition, one of the leading European basketball events.
- In addition, Nova, by taking advantage of the rights to sporting competitions for which it holds the rights for abroad, has made commercially beneficial agreements to dirtibute in wholesale these rights, thereby making significant revenues.

Network Development and Investments
During 2018, Forthnet:

- Upgraded its international link capacity, reaching a total of 223 Gbps at the end of 2018. The capacity for Content Delivery Network (CDN) services in Athens and Thessaloniki (Google, Akamai, Facebook, Netflix) upgraded to 267Gbps.
- Enabled Netflix CDN in Athens and Thessaloniki in order to improve the video streaming service to its subscribers.
- Expanded the provision of VPU/VDSL services in 38 Local Exchanges by implementing the appropriate interconnections with OTE.

- Developed and commissioned the SIP interconnection with OTE reducing the operational TDM links. In addition, ceased the operation of a transit voice exchange and reduced the operational cost, as a result of both the migration to IMS technology and the SIP interconnection with OTE.
- Upgraded the software of the DWDM network ensuring both proper operation and the ability to provide services with higher capacities.
- Modernized the Fixed Wireless Access backbone network with new equipment of higher capacity, leading at the same time to the reduction of yearly licensing fee.
- Renewed the environmental licenses of important base stations and upgraded the software of all base stations and of the management system, ensuring the continuity of fixed wireless access (FWA) services to enterprise customers.

Innovation and New Services
During 2018, Forthnet:

- Emphasized to new on demand services by launching two new services : a. Nova GO Extra, providing access to content through 2nd device (laptop, tablet, smartphone), b. Nova offline viewing, enabling subscribers to download content from Nova GO and watch it at any given time. Additionally, Nova GO was evolved in order to be aligned with the EU services portability regulation.
- Enriched further Nova On Demand and Nova GO services with additional content from Nick Jr, E! entertainment and documentaries from National Geographic and Discovery Channel.
- Moreover, the collection of viewership data from set top boxes that are connected to the internet has started. The collection is done via the platform “Adscribe” which collects viewership data for all types of viewing (Linear, VOD, PVR, for both DTH and DTT). This data enables Nova to further study the viewership habits and to extract actionable insights that will be used to further improve subscriber’s experience.
- Launched Nova Energy service, towards the direction to further enhance its bundled services offering a total solution for communication, entertainment and economy.
- Redesigned the Voice services offered to large enterprise customers exploiting new and highly available technology hosted in Forthnet’s data center.
- Proceeded to the provision of new advanced CPE in services addressing Small Medium Enterprises.
- Certified by MANRS for the application in the network of routing security and attacks protection norms (spoofing, hijacking, DDoS).
- E.U. research grant, “COGNITUS” in which Forthnet participated and was funded under the “Horizon 2020” framework concluded successfully. In this framework a number of applications have already developed which exploit the User Generated content of sports productions as Value Add Service. Forthnet participated in this project in order to improve customer experience and introduce differentiated services.
- In addition, the new grant entitled "Safe-DEED" under the "Horizon 2020" framework commenced. This project focuses on establishing a secure policy ecosystem in order to securely exchange data between the organization departments as well as between the Company and external specialized data analytics consultants. Forthnet participates in Safe-DEED in order to increase data analytics capacity thus leading to advanced services and user experience.

Customer Care and Stores’ Network
Forthnet has a wide distribution and sales network to individuals and businesses, which consists of Forthnet stores, chains, resellers through physical points of presence but also tele-sales. The distribution and sales network of broadband and pay TV services consists of:

- 99 Nova Stores
- 11 main call centers
- two of the largest local chains of retail stores, as well as large electrical / electronic equipment retailers
- wholesaler companies, including owners of retail distribution networks in various regions of Greece
- independent electrical / electronic equipment stores
- a network of installation companies, as well as commercial partners active in telephone sales
- a D2D sales’ network, distributed across Greece, that specialize in selling professional BB & Pay TV services

Also, the Company promotes a dedicated app, Nova My account for Android, iOS and web as a self-care portal which enhance customer experience

3. PROSPECTS FOR THE NEXT FINANCIAL YEAR 2019

For 2019, Management's main priorities and strategic directions depict Company's strategy which is to maintain its current position in the telecommunications and subscription television markets, and to diversify through the development of new services. In this framework, the Company is preparing to enter in the mobile market through the provision of MVNO services, after the recent National Regulatory Authority decision. At the same time, priority will be given to attracting higher value customers, following a strategy placing emphasis on the value of services rather than decreased or aggressive pricing.

More specifically:
As regards Residential Services, for 2019, Forthnet will focus its interest in the retention of its existing customer base through actions that will improve the overall customer experience both in terms of service quality and in terms of support.

At the same time, the subscription base will be offered high-quality services adapted to the needs of Greek families in terms of communication, home entertainment and economy. More specifically:

- enhance multi-play services with add-ons which will improve the overall customer experience
- exploit Nova Energy services in an effort to cover in an integrated manner the needs of Greek households
- launch new innovative services for reliable communication and quality entertainment at an affordable price

Nova3Play will remain the Group's key growth driver in the subscription television market, in accordance with a strategy placing emphasis on enriching the services offered rather than reducing prices. More specifically, the Group will aim at further developing on-demand services in pay TV, fully utilizing new generation decoders.

Finally, in accordance with international trends, the strategic positioning of the Group requires further enhancement of its ability to provide content services using other media (e.g. the Internet). In this direction, a new OTT service which targets mainly non-pay tv subs for broadband market was prepared and has been recently launched.

For existing subs, the Nova GO and Nova On Demand service are the key tools for content broadcast services using the Internet (Over the Top); Nova GO and Nova On Demand are being continuously updated to allow for new viewing capabilities, more channels broadcast live and hundreds of titles available on demand via mobile devices.

As regards Services for Business Customers & SMEs, in 2019 emphasis will remain on the further development of the SME market and Advertising. At the same time, efforts to promote bundled services focusing on the particular needs of small and medium-sized enterprises will intensify. Also, the Company will focus on public sector market by targeting to be part of Syzeyxis II project. A project which upgrades the Public Sector telecom infrastructure and leads to very significant cost savings.

Investments
Investments planned for the year 2019 aim at improving and safeguarding the services offered, as well as creating infrastructure for the provision of new services. More specifically, the following are planned:

- The extension of the coverage for the provision of VDSL and new NGA services.
- The upgrade of backbone links and development of new DWDM links to 100G in order to efficiently cover the increased needs of capacity emerged from new services and content demand.
- The expansion of its Fiber to the Business network in order to increase its capacity and ability to offer ulltra-high capacity and high quality services to enterprise customers segment.
- The upgrade of the IMS software ensuring the continuity and the smooth operation of voice services. Furthermore, full migration of voice interconnections to IMS is foreseen, resulting to the decommissioning of legacy voice equipment and the release of significant infrastructure assets all over Greece.
- The preparation of the required infrastructure which supports the forthcoming MVNO service in order to enhance multi-play offerings.
- The re-design and upgrade of network and security infrastructure in enterprise customers datacenter (EXAE) in order to develop new and further secure the services portfolio.
- The enhancement of the service continuity and availability with the installation of additional power generators and the replacement of backup batteries in local exchanges.

Finally, the Group and the Company will continue initiatives to reduce operating costs, placing emphasis on optimising operations and maximising the efficiency of existing infrastructure and the Company's assets in general.

4. PRINCIPAL RISKS AND UNCERTAINTIES FOR 2019

A. Risks associated with the macroeconomic environment

- Economic and political conditions and uncertainty in Greece have adversely affected the Group and may continue having a negative effect on the Group's business activity, financial situation, operating results and prospects.

- The ongoing economic crisis may adversely affect both the Group's ability to raise capital and its borrowing costs, which could have an adverse effect on the Group's business activity, financial situation and prospects.

- Changes in consumer behavior due to recession, the austerity policy followed by the Greek Government, the increasing unemployment could adversely affect demand for the Group's products and services, which could have an adverse impact on the Group's business activity, financial situation, results and prospects.

- Management continuously estimates the possible impact of any changes in the macroeconomic and financial environment in Greece, in order to ensure that all necessary actions and measures are taken so that the effect on the Group's activities is minimized. Management cannot accurately predict the possible development in Greek economy; however, based on its evaluation, Management has concluded that no additional impairment provisions of financial and non-financial assets of the Group on December 31st, 2018 are needed.

B. Risks associated with the business activity of the Group and its area of activity

- The inadequacy of the Group's working capital for the 12 months following the date of this report by the Board of Directors and the uncertainty concerning the efficacy of the actions intended to remedy this inadequacy indicate substantial uncertainty around the going concern assumption of the Company and the other members of the Group.

  In the view of the Group's Management, considering the current data and the requirement of successful completion of the Refinancing of the group's borrowings deriving from the contracts of the ordinary bond loans issued by the Company and Forthnet Media, amounting to EUR 255 million in total, concluded by the Company and its subsidiary, Forthnet Media S.A. ("FM") and lending banks ("Existing OBLs", see also Note 7 of current financial statements, "Going concern"), cash needs in working capital for the 12 months following the signing of these financial statements will amount to approximately EUR 51.2 million. Management will aim at covering this amount by further reducing the Group's operating cost, extending the repayment time of its suppliers, taking out a new short-term loan and, finally, raising new capital from the Shareholders and/or any interested third-party investors. As to the last option, it is noted that Nomura International plc., authorized by each of the Alpha Bank, National Bank of Greece, Attica Bank and Piraeus Bank, has initiated a process for inviting potential investors to submit offers with regards to their exposures (including shares and convertible bonds) against the Company and its subsidiaries. This procedure is still in progress.

  If the above actions by Management and the process of Nomura International plc. do not succeed or prove inadequate due to the instability and uncertainty in Greece and internationally, as well as uncertainty concerning the implementation of these actions (particularly those not exclusively dependent on the Group's Management), resulting in the total or partial coverage of cash needs in working capital not being possible, then the results, operation and prospects of the Group may be adversely affected.

- The financial condition, prospects and the ability of the Company and the other members of the Group to continue their activity depend on the completion of the Refinancing.

  As stated in Note 7 of these financial statements ("Going concern"), the Group reached an agreement with the lending banks concerning the main terms of the refinancing of Existing OBLs amounting to € 255 million in total. In order for the Refinancing to take place, the deposit of a necessary minimum sum of € 70 million is required, *inter alia*. Through the issued convertible bond loan, the Company raised the sum of € 70,124,680 in total, certified its partial subscription and paid the lending banks the necessary minimum sum of € 70 million. Thus, the main requirement undertaken by the Company to the lending banks for the Refinancing of the Existing OBLs was fulfilled. Having fulfilled the main obligation of repaying the sum of EUR 70 million, the Group is in advanced discussions with its lending banks in order to sign the relevant contracts and complete the Refinancing of the Existing OBLs.

If the Refinancing is not completed, the lending banks will have the right to terminate the Existing OBLs and claim their immediate repayment. In this case, the Company and Forthnet Media will not be able to repay the Existing OBLs, resulting in substantial uncertainty concerning the ability of the Company and the other companies of the Group to continue their activity.

Until the completion of the Refinancing, breach of the contractual terms of the Existing OBLs by the Company and Forthnet Media and any non-satisfaction of their requests to the relevant Lending Banks concerning the adjustment or lifting of its consequences could have a substantially adverse impact on the activity, financial situation and prospects of the Group.

In the past, the Company and Forthnet Media had requested and received from the Lending Banks in question either adjustments, such as time extensions for the fulfillment of their obligations, or their consent or tolerance concerning non-compliance with material terms of the Existing OBLs. If the Company and/or Forthnet Media do not comply with material terms required under the Existing OBLs and the Lending Banks in question do not accept pending or new requests by the Company and Forthnet Media regarding their non-compliance with such terms of the Existing OBLs and terminate these loans before the Refinancing is complete, the Refinancing may be cancelled, while the Company and Forthnet Media will not be able to repay the Existing OBLs; these prospects could have a substantially adverse impact on the activity, financial situation and prospects of the Group.

- The smooth operation of the Group's activity, its financial situation and prospects also depend on its ability to duly comply with the terms of the CBL, as well as its high bank borrowing following the completion of the Refinancing, and to comply with the financial indexes and other terms of the New OBLs, which will be determined and specified at a subsequent stage, during the negotiation of the contractual texts for the issuance and subscription of the new OBLs to be issued by the Company and Forthnet Media in the context of the Refinancing. More specifically, the structure of the Refinancing consists of the following: (i) The issuance of a new *in rem* secured ordinary bond loan by the Company for the total sum of € 78,461,538, jointly organized under the National Bank of Greece, Piraeus Bank, Alpha Bank and Attica Bank, for eight years with a three-year grace period, bearing a floating six-month Euribor interest rate plus spread, to be issued with collateral security provided by Forthnet Media; (ii) The issuance by Forthnet Media of an *in rem* secured ordinary bond loan for the total sum of € 176,538,462, jointly organized under the National Bank of Greece, Piraeus Bank and Alpha Bank, for eight years with a three-year grace period, bearing a floating six-month Euribor interest rate plus spread, to be issued with collateral security provided by the Company. Breach of any contractual obligations agreed upon in the context of the New OBLs could have a substantially adverse impact on the activity, financial situation and prospects of the Group.

- Any early expiration or non-renewal of the content rights expiring or inability to enrich the existing programme of the Group will have a substantially adverse impact on its activity, financial situation, operating results and prospects.

  The Group maintains important collaborations for the acquisition of (exclusive and/or non-exclusive) television rights to broadcast attractive audiovisual content. The Group takes the actions necessary for the timely renewal of content rights and their enrichment with new rights over a variety of content in order to remain up to date and competitive. Any early expiration or non-renewal of the Group's important collaborations with producers, beneficiaries or distributors of sports, entertainment, news, educational or other content or inability to enrich the content of its current programming either generally or under commercially reasonable terms could have a substantially adverse impact on the business activity, financial situation, operating results and prospects of the Group.

- The Group does not have significant concentration of credit risk, as its receivables originate from a broad customer base. The Group's exchange rate risk fluctuates during the year, depending on the volume of transactions in foreign currency. Furthermore, the risk of an increase in loans bearing a floating interest rate could have an adverse effect on the Group's business activity, financial situation and operating results.

- Frequent changes in taxation and insurance legislation increase uncertainty, decrease programming capability and may have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- The Group relies on its executives and its personnel. Its ability to remain competitive and effectively implement its business strategy greatly depends on the services provided by its executives and personnel in general.

- Major Shareholders may affect important decisions in relation to the Group and any conflict of interest concerning them could have a substantially adverse impact on the Group's activities, financial situation, operating results and prospects. Due to their participation percentage, Major Shareholders may exert substantial influence over decisions on matters that come under the competency of the General Meeting, particularly matters that require a qualified quorum and majority under Law 4548/2018 and the Articles of Association, such as, among others, increasing and decreasing the share capital, issuing convertible bonds, changing the Company's nationality and scope, merger, split, dissolution, spin-off, alterations to the profit distribution method and other corporate acts.

- The operation and development of the Group and its ability to provide services to subscribers depends on the provider with Significant Market Power.

  The Group utilizes numerous regulated Wholesale Products & Services marketed in Greece by the provider with Significant Market Power appointed by the EETT (in this case, OTE), in order to assemble and provide telecommunications services to its subscribers. These products and services include Unbundled Access to the Local Loop, Wholesale Broadband Access, Wholesale Leasing of Lines, Interconnection, etc. As a result, the provision of the above by the Group is directly dependent on OTE. The improper operation of the processes and wholesale products and services provided by OTE could have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- The Group's ability to maintain its existing customers and to attract new ones depends on its own ability to successfully respond to the requirements of the market and possibly on other factors beyond its control.

  The Group's success in maintaining its existing customers and attracting new ones greatly depends on the capability of offering products and services that are attractively priced in relation to the competition and the financial capabilities of Greek households and enterprises, on the ability to invest in the quality of the services offered (including the provision of effective services to its customer base) and on its ability to maintain the level of its technical infrastructure and the appeal of its TV content.
  If the Group does not succeed in attracting new customers and/or maintaining its existing ones, does not ensure or renew television programmes with appealing content and cannot respond to support requests from new or existing customers in a timely and consistent manner, its revenue and cash-flow may decrease and this may have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- If the Group does not succeed in cost-efficiently or otherwise interconnecting with other telecommunication service providers, it may not be able to offer its services.

  The Group's ability to provide high-quality and cost-efficient services greatly depends on the direct interconnection of its networks to those of third party operators of telecommunications services in Greece - including OTE and alternative providers of broadband services - and internationally. It cannot be ensured that these third-party operators will respond to access requests in an effective or timely manner, or that there will be no further disruptions regarding the Group's interconnection with their networks. The Group's Pay TV programme is broadcasted to its customers via various satellite transmitters. The Group has concluded satellite capacity leasing contracts for the broadcast of its programme. If commercial or technological developments show that the satellite space available for the Group is inadequate, the Group may be forced to incur major expenditure in order to lease additional access to satellite broadcast space. Any inability of, problems with or hindrances to interconnection with the above-mentioned networks or any abnormal development in the contractual relationship for the satellite capacity leasing could affect the Group's ability to provide its services, which could, in turn, have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- The Group depends on the reliability of its own networks or of third-party networks, and any system failure or breach of security and non-authorized access to its programme signals may result in a loss of customers and revenue.

  The Group is able to provide services only to the extent to which it can maintain and support its network systems facing failures due to connection problems or blackouts, natural disasters, terrorist actions or sabotage, computer viruses and unauthorized access. Furthermore, to the extent that a disruption or breach of security lead to loss or destruction of data or client applications or to improper disclosure of confidential information, the Group could incur major expenditure, including liability and the cost of restoring the losses caused by the disruptions or security breaches in question, especially in view of the forthcoming implementation of the General Data Protection Regulation

(EU Regulation 2016/679) from 25.05.2018 onwards. System failures, accidents, security breaches that cause the Group’s work to cease and the loss or destruction of customer data or applications or improper disclosure of confidential information could lead to loss of customers and have a substantially adverse impact on the Group’s business activity, financial situation and operating results. Furthermore, the operation of satellite is beyond the Group’s control. Satellites are subject to substantial risks, such as defects, incorrect orbital position, destruction and/or damage that could block or hinder proper business activities.

In the case of satellite failure, the Group would be forced to conclude alternative agreements in order to secure transmitters. If the Group is forced to acquire alternative transmitters, customers may have to adjust their satellite antennae anew in order to receive broadcast signals, which could prove difficult and costly to implement. As such, if the Group does not secure adequate satellite transmission capacity in a timely manner and under financially acceptable conditions, this could have a substantially adverse impact on the Group’s business activity, financial situation, operating results and prospects.

Any substantial damage, failure or obsolescence of the equipment, blackout, natural disaster, terrorist action or sabotage or breach of the network or security of the computer system affecting the connected systems and networks on which the Group relies and depends, as well as unauthorized access to the Group's programming signals could lead to loss of customers and revenue, having a substantially adverse impact on the Group’s business activity, financial situation and operating results.

- Additionally, the Group faces the risk of access to its programming signal by unauthorized users. The provision of a subscription programme requires the use of encryption technology to prevent unauthorized access to the programme, i.e. ‘piracy’. The Group uses encryption technology of high specifications for the secure transmission of its Pay TV signal. However, no technology can fully prevent piracy and essentially all Pay TV markets are characterized - each to a varying extent - by piracy, which takes on various forms. Moreover, encryption technology cannot fully block illegal retransmission or joint use of a television signal once it has been decoded. If the Group does not continue to use suitable means and measures to prevent unauthorized access to television broadcasts, the Group's ability to conclude contracts for the provision of programming services could be adversely affected and, in any case, will result in loss of revenue from customers receiving pirated signals.

  Furthermore, the Group faces a severe risk of provision of services to the public by third party interference in the satellite frequencies it uses. Although the Group has included relevant provisions in the satellite capacity provision contract, as a result of the above, it could suffer a substantially adverse impact on its business activity, financial situation, operating results and prospects.

- The Group's ability to provide services to its subscribers and maintain the high level of quality of services depends on the ability to maintain and support critical equipment.

- The Group relies on third parties for the sale of its products and services to retail customers. Any failure by the Group to effectively manage the network of its commercial collaborators may have a substantially adverse impact on the Group’s business activity, financial situation and operating results.

- The occurrence of non-insured incidents / risks and/or the inability of the Company and/or any insured party of the Group to be immediately and fully indemnified could have an adverse effect on the Group’s operation, results and financial situation.

- The telecommunications and subscription television sector in Greece is characterized by intense competition. If the Group does not utilize capabilities in order to successfully compete against other participants in the telecommunications and subscription television market, as well as new and/or existing platforms for the distribution of subscription content (satellite alternatives) such as the Internet (using IPTV, VoD, SVoD, OTT etc) by offering appealing services at favorable prices, it may lose customers and fail in attracting new customers, leading to an adverse impact on the Group’s business activity, financial situation and operating results.

- The Group may be adversely affected by the consequences of continuous technology changes. The business sector of provision of telecommunication services and subscription television is of high capital intensity and is subject to rapid and important technology changes. Continuous technological progress could force the Group to engage in extensive capital investment in order to maintain its competitiveness, either due to the cost of integrating new technologies (e.g. next generation access [NGA] networks) or improving or replacing its systems in order to keep them compatible, or due to the possibility of obsolescence of its infrastructure. Furthermore, the Group's ability to successfully adapt to technology changes and to provide new or improved services in a timely and financially efficient manner, or the ability to successfully predict customer requirements will determine the Group's ability to maintain and improve its market share to a great extent. Any failure by the Group to invest or adequately invest to new technologies (such as new generation network NGAs) and/or to effectively respond to technology changes may have a substantially adverse impact on its business activity, financial situation, operating results and prospects.

- The legislative and regulatory environment is constantly evolving and is uncertain. The regulatory framework in place, as well as future changes in laws, regulations, government policy or the interpretation of the legislation in force may have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- The provision of electronic communications services in Greece is subject to regulatory rules based on the principles established by the regulatory framework of the European Union concerning, among other things, numbering, licensing, competition, prices, local loop and sub-loop unbundling, interconnection and leased lines, next generation access (NGA) networks, protection and security of personal data. Despite the existence of a legislative framework in Greece governing the sector of electronic communications and subscription television, it is hard at times, also due to the rapid evolution of technology, to predict with any certainty the precise manner in which new laws and regulations will be interpreted and/or applied by the regulatory authorities or the Courts, the impact that these new laws and regulations may have on the Group and its business activity, or the specific actions that the Group may have to take or the extent of expenditure and resources that may be required for the Group's compliance. The regulatory framework in place, as well as future changes in laws, regulations, government policy or the interpretation of the legislation in force may have a substantially adverse impact on the Group's business activity, financial situation and operating results.

- Breaches of the law on consumer protection and the relevant sanctions may adversely affect the Group's business activity and reputation.

- The Group could lose some of its more important programme rights if the European Commission or the national authorities for protection of competition do not allow the acquisition of long-term exclusive broadcasting rights. The enactment of regulatory or legislative measures concerning the provision of sports rights or movies could preclude or limit the Group's acquisition of long-term exclusive broadcasting rights and, therefore, hinder the implementation of its strategy for expanding its customer base; such a development could have an adverse effect on the Group's financial situation, operating results and prospects.

5. NON-FINANCIAL REPORT

A. Business Model

The Forthnet Group provides high-level telecommunications and pay TV services in Greece and Cyprus. The Group's business strategy is inextricably linked to its sustainable development strategy aiming to continually generate value for its customers by offering top-quality services, to its employees by ensuring an exemplary work environment, to its shareholders and to society as a whole by promoting social and environmental actions.

The telecommunications services sector mainly involves the provision of Internet services, fixed telephony services, leased lines (for data transfer) and value-added services. The subscription television sector includes the provision of sports, cinema and entertainment content. Through Nova, the Group offers its customers more than 60 direct-to-home (DTH) channels with a wide range of content to meet the needs of all age groups.

The Group's services overall are aimed both at private consumers and at small - and medium - sized public and private sector enterprises, thus covering the majority of the market. Its business approach is to provide high-quality telecommunications and pay TV through bundled services (3play and others). Specifically, the Nova 3play services, which are at the forefront of the Group's commercial policy, allow subscribers to combine fixed telephony, broadband Internet access and pay TV services through cross-selling.

Additionally, the Group continues to introduce new value-added (OTT) services to enhance customer experience. By taking full advantage of new technologies and establishing the foundations for the future, it launched the Nova GO and Nova On

Demand services so that subscribers can view the content at their own convenience, from any location, through the Internet.
Also, Forthnet launched Nova Energy in order to cover in an integrated manner the needs of Greek households for communication, entertainment and energy. By further enhancing its bundled services the Company offers a total experience under the strong and recognizable brand Nova.

At the same time, the use of differing technologies and practices (privately owned fixed telephony network, wholesale leased telephony lines, satellite Internet) has expanded its coverage of populations in even the more remote areas. With Nova 3play Sat, Forthnet 2play Sat and Forthnet Sat 20 in particular, it provides 100% geographic coverage with Internet, telephony and television, both autonomously and combined through shared equipment, making the convergence of all of these services throughout the Greek territory a reality.

In this framework, following an auction by NRA, Forthnet was awarded the tender to become the universal service provider for fixed telephony services in Greece for the period 2017-2019. The Company uses satellite broadband technology to offer fixed telephony local network access and voice call services to 100% of the territory of Greece.

In addition, as part of its customer-centric approach, the Group has created an online customer self-service system (Nova MyAccount) and launched an online live chat service to improve response times and create new ways of assisting customers.

The Group's priority is to make use of all potential sales mechanisms to reach all market sectors. Aside from the chain of Nova stores, which are the Group's main sales vehicle, focus is also placed on promoting its services through its other sales networks, such as retail chains, resellers through physical points of presence and telesales.

As regards its distribution of services to corporate customers, the Group offers its products and services through the Corporate Sales Department, the Nova stores and door-to-door sales representatives. At the same time, it provides a pre-sales team which works with the sales team to design specialized solutions for telecommunications and pay TV that meet the particular needs of any large Company.

The Group also provides customer service for private and corporate customers via a specialized call centre, with advanced support procedures and mechanisms to ensure the best and fastest resolution of any issues.

B. Corporate Social Responsibility
Forthnet views its role as a responsible partner in the sustainable development of Greek society as an integral component of its business strategy. As part of this orientation, it has developed a number of Corporate Social Responsibility actions under the following strategic pillars:

B1 Social solidarity - Support to children in need

B1.a. Support to children in need
Forthnet has supported through targeted actions children growing up in volunteer and State child care and protection institutions, as well as school-age children who experienced the effects of the devastating fires of July 23, 2018 in East Attica:

Action: "Employees voluntary donation in bazaars events"
This action provides financial support to children caring and housing organizations, through the organization of seasonal bazaars (such as the Easter Bazaar) at Forthnet's administrative facilities around Greece. During these events Forthnet's personnel has the opportunity to buy special items of the organizations' collection.
The action took place over Easter 2018.

Action: "Employees' voluntary contribution at the Elementary School of Aghia Marina in Mati"
The action involves the volunteer work by the Company's employees for the renovation of the Elementary School of Aghia Marina in Mati, by painting of the surroundings, in order to lift the students' spirits, the vast majority of which come from Mati and Neos Voutzas areas, which were stricken by the devastating fires of 23rd July 2018.
Moreover, the Company organized a special screening of a children's film for all classes, accompanied by an individual commemorative gift for each child, always aiming at contributing to the children's psychological uplift.

Action: "Nova offers to children!"
In the context of this specific action Forthnet offered "Nova Full Pack" service (including equipment and installation) free of charge for 2018, to organizations involved in the long-term care and housing of children, to pediatric clinics and juvenile detention centres in Greece. This action aims to provide qualitative television entertainment to children.

Financial support
Forthnet provides financial support to a number of bodies involved in child care and protection through targeted actions. In 2018, the Company funded a sports club for children with disabilities. The mission of «Hippocampus -AMEA" is to support the physical exercise and psychological development of children with disabilities through sports and other cultural activities

B1.b. Support of education
Forthnet supported education in 2018 as well, through donation actions to schools, as well as through the support of pioneering initiatives aimed at highlighting our country's new talents in the fields of information technology and new technologies.

Action: "Donation of technological equipment to educational institutions"
This action involves the donation of technological equipment to Greek educational institutions to support their operational needs and to enhance their IT laboratories. In 2018, the Company donated dozens of pieces of equipment (such as printers, fax machines, PCs/laptops and others) to various schools throughout Greece, in response to their individual requests.

Sponsorship of a Student IT Conference of Central Macedonia
Forthnet supported as Gold Sponsor the "10th Student IT Conference of Central Macedonia", held in April 2018 at the "NOESIS" Science Center & Technology Museum in Thessaloniki. In the framework of the Conference, the Company organized another educational action for students, in order to raise awareness on piracy issues. The entire action focused on the strengthening of education in the digital age

B2. Sports
Forthnet's strategic choice to support Greek sports consists an integral part of its business activity and involves actions in two directions:

Support to athletes with disabilities
Forthnet is the strategic partner of the Hellenic Paralympic Committee, which is responsible for developing and promoting the Paralympic movement throughout Greece, in addition to selecting members for the national teams that will attend the Paralympic Games.
Specifically, Nova, as the "Great media partner" of the Hellenic Paralympic Committee, organizes a number of actions to support the communication of the Committee's work.
In 2018 the Novasports channels continued airing "The Hour of the Paralympic Champions", the weekly series created in 2017, dedicated exclusively to Paralympics events. ". This programme not only covered Paralympic athletes' achievements in various sport events, but also presented the human side of their daily struggle, as Nova's priority is to focus on the real protagonists…the athletes.
Moreover, during 2018 the Company continued to enrich the content of the special section it has created on its website "www.novasports.gr", where visitors can find TV programs dedicated to Paralympic athletes in addition to special programs that have aired on the Novasports channels.
Novasports channels also covered various Paralympic games, events and homecoming celebrations welcoming athletes' home returning from major athletic competitions.

Support to amateur sports
Over the last years, Forthnet has been pursuing an important activity to support and promote the running movement in Greece, with the aim of spreading the message for a healthy and balanced lifestyle. More specifically, the Company has been active in this field on two fronts:

A.Promotion of running events
Forthnet supports, through Communication Sponsorships, a significant number of running events across the country, as part of the promotion of the importance of simple forms of sport for a better and healthier lifestyle in citizens' everyday life. More specifically, in 2018 "Nova" stood beside 30 running events as Communication Sponsor. At the same time, the company also ensures to communicate this message to its employees and, in this context, it is constantly supporting the "Novasports Running Team".

B. Novasports Running Team

This Corporate Social Responsibility action covers not only Forthnet's employees, but also Company's business associates and subscribers. In cooperation with a run ex champion, the Company has formed the Novasports running team promoting the benefits of sports to healthy living. In the context of this action the Company supports the running team with sporting equipment and covers participation fee of the team's members to major running events in Greece.
In 2018, the 971 members of the Novasports Running Team took part in 30 running events around Greece.

B3. Culture

Communication sponsorship of cultural events

Culture is one of major pillars of Forthnet's Corporate Social responsibility since its foundation. By serving as a communication sponsor for theatre performances, concerts and other cultural events, the Company consistently promotes the value of the arts to its subscribers urging them to attend and participate in Greece's cultural events.
In 2018, Forthnet S.A. supported more than 120 performances and cultural events.

Sponsorship of cultural organizations

This action entails sponsoring the provision of Forthnet portfolio of services to important cultural organizations of Greece.

In this sector of contribution, following completion of the expansion of the «Nova HotSpot» service in six of the Benaki Museum buildings, Forthnet continued in 2018 to fully manage and provide technical support on a 24 hour basis to the state of the art wireless broadband internet access network, which it installed at the Museum.
Forthnet provides the above services with safety 24 hours a day, supporting the Museum's visitors access to Internet information and changing the whole experience of their visit to this unique cultural organization.

B4. Protection of the environment

Forthnet considers the protection of the environment to be an inextricable axis of the Social Responsibility action plan it implements.
As part of this, it has developed the following actions:

- Recycling of household batteries
- Recycling of lamps
- Recycling of LEAD-ACID batteries
- Recycling of electronic equipment
- Recycling of used lubricants from generator maintenance
- Recycling of paper, plastic and aluminum in cooperation with the municipalities in which the Company is based

As part of these actions, the following quantities of materials were recycled in 2018:

TYPE OF RECYCLING	***QUANTITY***
Household batteries	656 Kg
Lamps	112,1 Kg
LEAD-ACID batteries	32.214 Kg
Paper	1.300Kg
Electronic equipment	4.500Kg
Used lubricants from generator maintenance	700 lt

C. Work environment - labor relations

C.1 Employees

As of 31.12.2018, the Company employs a total of 994 people (headcount). The majority of them (92,5 %) work on a full-time, permanent basis (under full-time contracts of indefinite duration), making the Company one of the largest employers in Greece. Additionally, the Company contributes substantially to the increase of overall employment, through the franchise network of NOVA stores, employing more than 435 employees.

The majority of people employed by Forthnet (97,69%) work in branches all around Athens. However, the company also operates branches in Thessaloniki and Crete.
Women reach a 44% of the total workforce. The majority of employees are graduates of higher-education institutions and universities, while there are at least 70 different areas of specialization.

C.2 Human Resource Development Systems & Policies

Recognizing the critical importance of Human Resources in achieving the Company's strategic goals, and with a focus on each employee individually, Management has developed modern human resources development systems and policies. Most of these are applied at all Company organizational levels and are continually modified based on both Company needs and feedback received from employees. Some examples include:

- Succession planning
- Job evaluation system
- Employee evaluation system
- Hiring policy
- Internal transfer/promotion policy
- Training and development policies
- Salary and benefits policies

C.3 Corporate Culture

In Forthnet we have built and sustain a corporate culture of high performance and commitment standards for our employees by creating “ambassadors” in and out of the Company. We encourage initiative, cooperation and flexibility at work, in order to cater to our customers’ needs. Innovation and creativity are the key to face effectively business challenges effectively in a competitive environment.

C.4 Labor Relations

A key priority for Forthnet Management is to regulate labor relations in compliance with current labor legislation which adheres to the principles of equality, diversity and transparency, with the aim of promoting the common interests of the Company and its employees. To that end, the Company cooperates with the primary employee union active since late 2012.

C.5 Additional Benefits

All company employees become members of the Group Corporate Life and Health Insurance Plan as soon as they start their employment and can enjoy the following benefits at no additional cost to them:

- Life insurance
- Insurance against accidents and loss of income due to illness or accident
- Hospitalization and out of Hospital healthcare

In addition, employees may insure their dependent family members (at a minimum charge) for hospitalization and out of hospital healthcare services.

The Company also offers to its employees significant discounts on its products and services, such as 3play-Staff, which is used by more than 80% of employees. Third-party products and services (from suppliers, etc.) are also offered to Forthnet employees at discounted prices.

C.6 Blood Donation

Since 2007, Forthnet runs a voluntary blood donation programme for its employees and has created a blood bank to cover blood needs of its employees and their first-degree relatives.

C.7 Health and safety at work

Safety at work for both employees and visitors is of great importance to Forthnet.
Company’s facilities are regularly inspected to ensure their safety as well as to confirm that employees comply with established health and safety guidelines. Contractors performing work or offering services at Forthnet facilities are also asked to comply with current work health and safety laws.
Moreover, health and safety plans should be submitted before commencing and during the course of technical works.

Forthnet permanently employs a safety technician and occupational doctor who report on health and safety matters for every Company's facility. The safety technician prepares risk assessment reports regarding personnel works performed at each facility.

Emergency response teams have also been formed to handle emergency events and physical disasters that affect the safety of staff and facilities (earthquake, fire, flood, bomb threats, etc.). There are also first aid teams to respond to medical emergencies. The members of these teams are trained by the occupational doctor, the safety technician, and other organizations such as the fire brigade and the Hellenic Red Cross.

Building evacuation drills are regularly conducted aiming at personnel's continuous preparedness in case of emergency situations. In addition, fully equipped first aid kits are available at all Company's facilities. For the main Company's facilities a defibrillator and eye examination equipment are also available.

D. Combating corruption and bribery

Forthnet S.A. operates within a corporate governance framework including the Internal Corporate Regulation and the Corporate Governance Code. It also complies with all applicable legislative and regulatory framework aimed at combating corruption and preventing situations of bribery. Among other things, this framework includes guidelines, mechanisms and procedures for preventing corruption. These include a procedure for monitoring and disclosing financial transactions undertaken by executives of the Company with regard to shares issued by the Company, and a procedure to monitor the financial activities of these individuals with regard to the Company's key customers and suppliers. In addition, the Members of the Board of Directors and management executives are also asked to notify on any conflict of interest situation may arise between their interests and the interests of the Company through a specific statement. As regards combating corruption, the Company also expressly forbids employees from accepting gifts or other benefits from third parties for the purpose of facilitating activities, settling business cases or securing cooperation with the Company. Finally, there is specific internal approval process for concluding and signing the Company's agreements with suppliers or for realizing any transaction with third parties.

E. ISO Certifications

Forthnet applies a Quality Management System in line with the ISO 9001:2015 standard for the following scope:

- Design, development and operation of a telecommunication network for the provision of broadband access, broadband services, Internet services, data connectivity services, leased line services and telephony services.
- Design, implementation and operation of a telecommunication network for the provision of fixed wireless access services
- Design, implementation, Provision, Technical support & Maintenance for Data Centre services
- Analysis, Design, Implementation of Information systems & Internet Applications Development
- Engineering, Development & Maintenance of Network Management Systems Software, Operation Systems Support Software & Billing Software
- Management of Research &Development Projects

The Quality Management System was initially certified in January 2003 by TÜV Hellas, an internationally recognized body (member of the TÜV NORD Group). In March 2018 TÜV Hellas certified the Company's Quality management System in accordance with the new standard ISO 9001:2015 .

The Company also provides data centre hosting and first-level support (hands and eye support) services to its customers. These services were certified according to the internationally recognized information security standard ISO/IEC 27001:2013 in February 2017.

The certified service includes:

- Physical system installation
- Hosting of systems in protective cage
- Infrastructure of physical access control (24x7x365 supervision, closed-circuit TV, physical access monitoring system, etc.) and environmental protection controls (fire protection, heating/cooling, moisture detection, etc.)
- Infrastructure for uninterruptible power supply (UPS)
- First-level technical support (hands and eye support)
- Customers' request management

This certification is an indisputable proof of the level of the Company's commitment to ensuring the security of these services.

F. Participation in European and National Research Programmes

In 2018, Forthnet S.A. took part in three European and national research programmes.

1	COGNITUS	Project No: 687605	• Call identifier: H2020-ICT-2015/ICT-19-2015
2	SpeechXRays	Project No: 653586	• Call identifier: H2020-DS-2014-2015/H2020-DS-2014-1
3	Safe-DEED	Grant agreement no: 825225	• Call identifier: H2020-ICT-2018-2020/H2020-ICT-2018-2

All projects above are in progress in 2019.

During 2018 Forthnet participated as a partner in proposals submitted for funding through HORIZON2020 and are at the evaluation stage.

6. ALTERNATIVE NON-PERFORMANCE MEASURES ("APMs")

The Group uses Alternative Performance Measures (“APMs”) in the context of making decisions concerning its financial, operational and strategic planning, as well as assessing and publishing its performance. These APMs help better understand the Group's financial and operating results, financial position and cash flow statement. Moreover, normalized revenues, and EBITDA figures are used in the evaluation of the Group’s financial performance. Alternative performance measures (APMs) must always be taken into account in combination with the financial results prepared in accordance with International Financial Reporting Standards (“IFRS”) and will not replace the latter under any circumstances.

EBITDA (ratio of earnings before interest, tax, depreciation and amortization) indicates the Group's current operating profitability and is used by the Group as the basis for calculating and monitoring its operating cash flows. EBITDA is calculated as follows:

	Group	
	01.01. - 31.12.2018	**01.01. - 31.12.2017**
Revenue from contracts with customers	281,594,563	294,037,227
Other income	3,648,948	3,024,337
Operating expenses before depreciation, amortization and impairment	(241,960,537)	(255,674,155)
Less: Goverments grants amortization	(936,806)	(1,169,949)
EBITDA	42,346,168	40,217,460

The following tables present the most important APMs for the Group for the year 2018 and 2017:

Net Debt to Equity: This APM shows the proportion of equity and loan capital used to finance Group's assets and is calculated as follows:

	Group	
	31.12.2018	**31.12.2017**
Long-term borrowing	42,977,769	41,071,527
Long-term transponder leases	28,480,602	41,092,076
Other long-term leases	36,709	254,773
Short-term borrowings	1,296,200	1,198,566
Current portion of long-term borrowings	255,000,000	255,000,000

Current portion of transponder leases	12,611,474	11,727,821
Current portion of other leases	218,063	214,819
Cash and cash equivalents	(1,532,249)	(2,603,540)
Net Debt	**339,088,568**	**347,956,042**
Total equity	199,755,412	191,920,395
Net debt to total equity	**1.70**	**1.81**

Current ratio: This APM demonstrates the Group's ability (liquidity) to service its current liabilities based on current assets and is calculated as follows:

	Group	
	31.12.2018	**31.12.2017**
Current assets	96,484,125	109,481,110
Current liabilities	461,422,549	459,362,324
Current ratio	**0.21**	**0.24**

Interest coverage ratio: This APM reveals the relationship between the net profits of the Group and the interest charged for the use for foreign capital and indicates the ability to service such interest charge. It is calculated as follows:

	Group	
	1.1 - 31.12.2018	**1.1 - 31.12.2017**
Revenue from contracts with customers	281,594,563	294,037,227
Other income	3,648,948	3,024,337
Operating expenses before depreciation and amortization and impairment of investments	(241,960,537)	(255,674,155)
Government grants	(936,806)	(1,169,949)
EBITDA	**42,346,168**	**40,217,460**
Finance costs	(16,041,804)	(16,351,760)
Interest coverage ratio	**2.64**	**2.46**

7. CORPORATE GOVERNANCE STATEMENT ON THE BASIS OF ARTICLES 152 & 153 OF L. 4548/2018[4]

A) CORPORATE GOVERNANCE CODE

The Company has resolved voluntarily to apply a Corporate Governance Code, which is available at the main offices of the Company, at the extension of Manis street, location of Kantza, Pallini, P.C. 15351.

B) CORPORATE GOVERNANCE PRACTICES APPLIED BY THE COMPANY IN ADDITION TO THE PROVISIONS OF THE LAW

The Company applies certain corporate governance practices in addition to the provisions of the Law, which concern the operation of the Purchasing Committee, the Strategy Committee, the HR Committee, as these practices are specifically provided for in the Corporate Governance Code.

C. COMPANY'S INTERNAL CONTROL SYSTEM REGARDING THE PREPARATION OF FINANCIAL STATEMENTS AND RISK MANAGEMENT

The Company's Internal Control System (ICS) refers to the auditing mechanisms and procedures in place to ensure the completeness and reliability of the data and information required for the accurate and timely preparation of the Group's financial statements and the elaboration of reliable financial statements.

The basic elements of the internal control system are, inter alia, the following:

- the specific detailed procedure describing the preparation of the annual and interim financial statements,
- the specific organizational structure of the finance department that ensures the segregation of duties between the accounting department and the department of reporting, which is responsible for the preparation of the financial statements, in order to prevent incompatible roles,
- as well as the internal audit department, which examines and evaluates the Company's internal control system in the context of reviewing the implementation of the Internal Corporate regulation and the Articles of Association of the Company, as the law dictates.

The framework of the ICS includes the appropriate communication among the legal department, the finance department and the internal audit department, ensuring the effective supervision and constant compliance with the legal obligations concerning the preparation and presentation of the Company's financial statements.

D) INFORMATIVE DATA OF THE DIRECTIVE 2004/25/EC (art. 10) REGARDING THE TAKE OVER BIDS.

The informative data required according to article 10 par. 1, under c), d), f), h) and i) of Directive 2004/25/EC, as it has been transposed into national legislation with L. 3461/2006, is provided for as information in the Explanatory Report of the B.o.D, according to article 4, par, 7 of Law 3556/2007.

E) INFORMATIVE DATA FOR THE OPERATION OF THE GENERAL ASSEMBLY OF THE SHAREHOLDERS AND THE MAIN AUTHORITIES, AS WELL AS DESCRIPTION OF THE SHAREHOLDERS' RIGHTS AND OF THE WAY OF THEIR EXERCISE.

Operation of the General Assembly

Preamble

According to Article 9 of the Company's Articles of Association, the General Assembly of Shareholders is the Company's supreme body and is entitled to decide on any issue concerning the Company. It is composed and operates in accordance with the law and its Articles of Association, and its decisions are equally binding for all shareholders, even those who are absent or disagree.

Convening the General Assembly

1. The General Assembly of shareholders, shall meet regularly at the Company's registered office or in the region of another municipality within the prefecture of the registered office or in another municipality neighbouring to the registered office, or in the region of the municipality where the Stock Exchange is located. The General Assembly is convened by the Board of Directors, notwithstanding what is stipulated in article 121 of L. 4548/2018. The General Assembly must be convened at least once on each financial year, latest until the tenth (10th) calendar day of the ninth month after the end of the financial year in order to decide on the approval of the annual financial statements and on the election of auditors (ordinary General Assembly). The Ordinary General Assembly may also decide on any other matter of

[4] Law 4548/2018 "Reform of the Law of Societes Anonymes", which took effect on 1.1.2019, replaced the C. L. 2190/1920. The Company shall adjust its Articles of Association to the provisions of the new Law (4548/2018, as amended and in force) by decision of the General Meeting of its Shareholders to be adopted within 2019

its competence. The Board of Directors may invite extraordinary General Assemblies as many times deemed necessary. (extraordinary General Assembly)

2. The General Assemblies with the exception of repetitive General Assemblies and those assimilated to them shall be announced at least twenty (20) calendar days prior to the assembly date, without counting the day of publishing the Assembly's invitation and the day of its convention.

Notice to the General Assembly

The notice to shareholders for the General Assembly shall state the date, time and venue of the assembly and the items on the agenda clearly, the shareholders entitled to participate, as well as clear instructions concerning the way in which shareholders can participate in the Assembly and exercise their rights in person or by proxy, as well as additional elements provided for by para. 4 article 121 of Law 4548/2018. This invitation, with the exception of repetitive General Assemblies and those assimilated to them, shall be posted on the website of the General Commercial Registry (ΓΕΜΗ) twenty (20) days before the Assembly date, and on the Company's website and it is published, according to the legislation in force.

Participation in the General Assembly

1. Each shareholder is entitled to participate and vote in the General Assembly of the Company. The exercise of the specific rights does not presume blocking of shares of the rights holder or observance of any other similar process, which may limit the possibility of sale and transfer of shares during a certain period between the record date, as defined below and the respective General Assembly. The shareholder participates in the General Assembly and votes either in person or through proxy holders.

2. Any person appearing as a shareholder in the records of the entity, in which the movable assets of the Company are kept, is entitled to participate in the General Assembly. Proof of qualification as a shareholder may be made with the producing of a relevant written certification of the above entity or, alternatively, through direct electronic connection of the Company with the records of the latter.

3. The qualification as a shareholder must exist in the beginning of the fifth day before the date of the General Assembly (record date). The appointment and revocation or replacement of the representative or shareholder's representative shall be made in writing and notified to the Company in the same form, at least forty eight (48) hours prior to the scheduled date of the meeting. Each shareholder may appoint up to three (3) representatives. However, if the shareholder owns shares of a company that appear in more than one securities accounts, this limitation does not prevent the shareholder from appointing different representatives for the shares appearing in each securities account in relation to a specific General Assembly. Proxies are freely revocable.

4. The above registration date also applies in the case of a postponement or a repetitive meeting, provided that the postponement or the repetitive meeting is not more than thirty (30) days from the date of registration. If this is not the case or if in the case of the repetitive General Assembly a new invitation is published, according to the provisions of article 130 of Law 4548/2018, the shareholder who has the shareholding status at the beginning of the third day before the day of the postponement or the repetitive general Assembly. Proof of shareholding status may be evidenced by any legal means and, either way, on the basis of information received by the company from the CSD, since it provides registry services or through the participants and registered intermediaries in the CSD in any other case.

5. The shareholders that do not comply with the provisions of the Articles of Association, and of the Law on the right of participation and representation may participate in the General Assembly, unless the General Assembly refuses this participation for a significant reason justifying its refusal.

Regular quorum and majority in the General Assembly

1. The General Assembly shall be considered to have a quorum when at least twenty percent (20%) of the paid-up share capital is represented therein.
2. If the quorum of the previous paragraph is not achieved, a repetitive assembly shall be held within twenty (20) days after the cancelled meeting, to be announced at least ten full days (10) in advance, and which shall be considered to have a quorum and convene legally on the items of the initial agenda, irrespective of the percentage of paid-up share capital that is represented in the General Assembly.
3. Decisions in the General Assembly shall be made with an absolute majority of the votes represented at the Assembly.

Extraordinary quorum of the General Assembly

1. The General Assembly shall be considered to have a quorum and convene legally for the items of the agenda, when fifty percent (1/2) of the paid-up share capital are attending or represented therein, and in such a case the relevant resolutions

shall be made with a majority of two thirds (2/3) of the share capital present, in exceptional circumstances and for decisions concerning:

a) extension of the term, merger, split, conversion, revival or dissolution of the Company;
b) change of the Company's nationality;
c) change of the business scope of the Company;
d) increases of the share capital under the provisions of paragraphs 2 and 3, article 5 of the Articles of Association, and par. 1 and 2, article 24 of L. 4548/2018, currently in force, unless the increase is imposed by the law or is implemented with a capitalization of reserves;
e) the reduction of the share capital, unless it is carried out in accordance with paragraph 5 of Article 21 or paragraph 6 of article 49 of Law 4548/2018 as currently in force;
f) provision or renewal of powers to the Board of Directors for the share capital increase in accordance with par. 1, article 24 of L. 4548/2018, as currently in force;
g) alterations to the profit distribution method;
h) increase of the shareholders' obligations;
i) any other case determined by the law and the Articles of Association;
j) amendment of paragraph 24, article 20 of the Company's Articles of Association concerning the competences of the Chief Executive Officer.

2. If the necessary quorum is not achieved in the first meeting, a repetitive assembly shall be held within twenty (20) days, to be announced at least ten (10) days in advance of the repetitive assembly. The first repetitive assembly shall be considered to have a quorum and convene legally for the items of the initial agenda, when one fifth (1/5) of the paid up share capital is represented therein. No subsequent notice is required if in the initial invitation the place and the time of the repetitive assembly as stipulated by law are defined in the case of non-achieving the quorum, provided that at least five (5) days have passed between the cancelled and the repetitive assembly.

The majority of the three fourths (3/4) of the paid up share capital is required to take any resolution regarding the amendment of article 32 of the Articles of Association.

Chairman-Secretary of the General Assembly

1. The Chairman of the Board of Directors or his/her substitute, when the former is prevented, shall chair the General Assembly temporarily.
2. After the list of shareholders with voting rights has been approved, the Assembly shall elect its Chairman and a Secretary, who shall also act as teller.

Matters discussed – Minutes of the General Assembly

1. The discussions and resolutions of the General Assembly shall be limited to the items set forth in the agenda published.
2. With particular regard to the General Assembly's resolution on financial statements approved by the Board of Directors, such statements must be signed by the Chairman of the Board of Directors or his/her substitute, by the Chief Executive Officer and by the Chief Financial Officer.
3. Minutes shall be kept for all discussions and resolutions of the General Assembly, signed by the Chairman and the Secretary.
4. Following a request from a shareholder, the Chairman of the General Assembly shall ensure that shareholder's opinion in brief is included in the minutes in detail. The Chairman of the General Assembly is entitled to refuse to register an opinion if it refers to issues apparently out of the agenda or its content is manifestly contrary to morality or law. The list of shareholders attending the General Assembly in person or by proxy shall also be entered in the book of minutes.

Exclusive responsibility of the General Assembly

The General Assembly is the only competent instrument to decide for:

a) Merger, with the exception of the absorption of a 100% or 90% subsidiary Company (Societe Anonyme) according to article 78 of the C.L. 2190/1920, as in force, - split, conversion, revival, extension of the term or dissolution of the Company, provision or renewal of power to the Board of Directors for the increase of the share capital, b) the issuance of a bond loan with transferable bonds according to article 71 of Law 4548/2018, c) Amendment of the Articles of Association including any increases, regular or extraordinary, and capital reductions, with the exception of the cases a) and b) of paragraph 2 of art. 117 of law 4548/2018 d) Appointment of members of the Board of Directors according to the provisions of articles 19 and 22 of the Articles of Association, e) Appointment of auditors, f) Appointment of liquidators, g) Distribution of the annual profits, with the exception of the distribution of returns or voluntary reserves in the current fiscal year upon resolution of the board of directors, in accordance with article 117 para. 2, case g, h) Approval of the balance sheet and any consolidated financial statements, i) Approval of the overall management in line with article 108 L. 4548/2018, j) Approval of the election of temporary members by the Board of Directors in accordance with article 22 of Articles of Association substituting those resigned, deceased or otherwise disqualified from holding their office, k) approval of salary payment or advance payments pursuant to art. 109 of Law 4548/2018, l) approval of the remuneration policy in line with art. 110 and the salary report of art. 112 of Law 4548/2018 m) any other matter expressly stipulated in the Articles or the law.

Description of the rights of the shareholders and the way of their exercise

1. The Articles of Association of the Company are in accordance with the provisions of CL. 2190/1920 on Societes Anonymes, as it was in force before the entry into force of the new Law 4548/2018 "Reform of the Law of Societes Anonymes".
The Company shall adjust its Articles of Association to the provisions of amended Law 4548/2018, as applicable, following a relevant decision to be made by company shareholders within 2019.

2. The Articles of Association of the Company provide that the shareholder's capacity implies legal, ipso jure and unlimited exercise of all rights and the undertaking of all responsibilities arising from the legislation on Societes Anonymes, the provisions of these Articles of Association, the resolutions of the General Assembly of shareholders and the resolutions of the Board of Directors. In particular: a) The Shareholders shall exercise their rights regarding the management of the Company only through the General Assembly; b) Each share shall provide the right to one (1) vote at the General Assembly; c) Each shareholder, irrespective of place of residence, shall be subject to Greek Legislation and shall be deemed to reside permanently at Company headquarters where the shareholder shall appoint an attorney and shall inform the Company of such appointment and d) shareholders, general successors or their creditors and the legal holders of Company shares (trustees, depositories, pledgers, lenders etc.) shall not be entitled for any reason to cause seizure or sealing of Company books and any other property of the Company or to endeavour to distribute or liquidate the Company.

Minority rights

According to L. 4548/2018 as in force, the minority rights are the following ones:

1. The Board of Directors is obliged, following a request from shareholders representing at least one twentieth (1/20) of the paid-up share capital, to call an extraordinary General Assembly of shareholders on a specific date no later than forty-five (45) days from the date the request was submitted to the Chairman of the Board of Directors. The request includes the items of the agenda. If the Board of Directors does not convene a General Assembly within twenty (20) days from the delivery of the request, the relevant convocation is made by the shareholders requested the Assembly at the Company's expense, by a decision of the court of the Company's seat, issued during the interim measures process. The decision shall specify the venue and date of the meeting, as well as the agenda. The decision cannot challenged by legal remedies. The board of directors shall convene the general Assembly in accordance with the general provisions or make use of the procedure provided for by Article 135 of Law 4548/2018 unless the requesting shareholders have excluded this last possibility.

2. The Board of Directors is obliged, following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, to include additional items on the agenda of the General Assembly convened, if the relevant application is received by the Board of Directors at least fifteen (15) days prior to the General Assembly. Any such additional items shall be published or announced, at the Board of Directors' responsibility, according to article 122, at least seven (7) days prior to the General Assembly. The application for the inclusion of additional items in the agenda is accompanied by a justification or by a draft decision for approval by the General Assembly and the revised agenda is published as the last agenda, thirteen (13) days prior to the date of the General Assembly and at the same time becomes available to the shareholders on the webpage of the Company, along with the justification or the draft decision that has been submitted by the shareholders, in line with paragraph 4 of article 123 of L. 4548/2018. If these issues are not published, the requesting shareholders are entitled to request the postponement of the General Assembly in accordance with paragraph 5 of article 141 of Law 4548/2018 (see below under 5) and to publish the above, at the expense of the company.

3. Shareholders representing one twentieth (1/20) of the paid-up capital have the right to submit draft decisions on issues included in the original or revised General Assembly agenda. The relevant application must reach the Board of Directors at least seven (7) days before the date of the General Assembly, the draft decisions being made available to the shareholders in accordance with the provisions of paragraph 3 of Article 123 of Law 4548/2018, at least six days prior to the date of the General Assembly.

4. The Board of Directors is not obliged to proceed with the inclusion of items in the agenda or their publication or notification along with a justification and draft decisions submitted by the shareholders according to the aforementioned paragraphs 2 and 3 respectively, if their content is obviously against the law and the moral ethics.

5. The Chairman of the General Assembly is obliged, following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, to postpone for only one time the resolution process of the General Assembly, ordinary or extraordinary, on all or certain matters, establishing as resumption day of the meeting the one

specified in the shareholders' request, but which may not be more than twenty (20) days from the date of postponement. The postponed General Assembly is a continuation of the previous one and it is not necessary to repeat the publication formalities of the shareholders' invitation. New Shareholders may also participate in this meeting, subject to the relevant participation formalities, including the provisions of paragraph 6 of Article 124 of Law 4548/2018.

6. The Board of Directors s is obliged, following a request from any shareholder submitted to the Company five (5) full days prior to the General Assembly, to provide the General Assembly with information on corporate matters as requested, to the extent that such information is useful for the real assessment of the items on the agenda. The Board of Directors may uniformly reply to requests of shareholders with the same content. No obligation for the provision of information exists, when the relevant information is already available on the webpage of the Company, particularly in the form of questions and answers. Furthermore, the Board of Directors is obliged, following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, to disclose only to the ordinary General Assembly all amounts paid to the members of the Board or the managers of the Company, as well as any other benefit given for any reason or contracted to the them the last two years. In all the above cases, the Board of Directors may refuse to provide such information on serious, reasonable grounds, which shall be recorded in the minutes. In the cases of this paragraph, the board of directors may use a single reply to shareholders' requests including with the same content.

7. At the request of shareholders, representing one tenth (1/10) of the paid up capital submitted to the company within the time limit of paragraph 6, the Board of Directors is obliged to provide the General Assembly with information on the course of corporate affairs, and the assets of the company. The board of directors may refuse to provide said information for substantive reasons, which shall be recorded in the minutes.

8. Following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, the resolution process regarding any item on the General Assembly agenda for which a secret vote was intended, may be implemented by nominal ballot.

9. In all cases referred to in this Article, the requesting shareholders must prove their shareholder status and, in addition to the above-mentioned indent 6, the number of shares they hold in the exercise of the relevant right. Proof of shareholder status can be carried out by any legal means, however, based on information received by the Company from the central securities depository, provided it offers registry services, or through the participants and registered intermediaries in the central securities repository in any other case.

10. Shareholders of the Company representing at least one twentieth (1/20) of the paid-up share capital may request the Company's audit by the competent court, provided that actions that violate provisions of the Shareholders' General Assembly's decisions or laws or the Company's Articles of Incorporation, and the transactions in question must have occurred within a period of no more than three years from the approval of the financial statements of the year in which they took place.

11. Shareholders of the Company representing one fifth (1/5) of the paid-up share capital may request for judicial audit if, in the course of corporate affairs and on the basis of specific indications, it is assumed that corporate governance is not exercised as required by sound and prudent management.

12. Ten (10) days prior to the Ordinary General Assembly, the Company makes available to its shareholders its annual financial statements and the relevant reports of the Board of Directors and Auditors, by posting relevant information on its web site.

F) COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS ANY OTHER BODIES / COMMITTEES OF THE COMPANY

1. Composition of the Board of Directors

The Board of Directors of the Company, according to its Articles of Association, consists of five (5) up to (9) members. The one third of the Board of Directors of the Company shall at least be non-executive members and includes at least two (2) independent non-executive members.

As soon as it is appointed, the Board of Directors shall be incorporated into a Body and appoint the Chairman, the Vice-chairman, the Chief Executive Officer and the Members. The current Board of Directors of the Company was appointed by the General Assembly dated June 30, 2016 with a five-year term ending on 30.06.2021 and extended until the end of the period within which the next Ordinary General Assembly must be held. The Members of the Board of Directors are the following:

1. Deepak Srinivas Padmanabhan, Chairman (non-executive member)

2. Panayiotis Papadopoulos, Vice Chairman and Chief Executive Officer (executive member)

3. Konstantinos Stefanidis, non-executive member

4. Edwin Lloyd, independent non-executive member

5. Mohsin Majid, non-executive member

6. Bhavneet Singh, independent non-executive member

7. Michael Warrington, Independent non-executive member

8. Yiannos Michailides, non-executive member

2. Operation of the Board of Directors

The Chairman of the Board of Directors shall chair the meetings of the Board of Directors and manage its activities. When the Chairman is absent or prevented from attending, he/she shall be substituted, for the entire scope of his/her competences, by the Vice-chairman, who in turn shall be substituted by the Chief Executive Officer.

The executive member of the Board of Directors should deal with the daily management of the Company. Any other member is considered non-executive member. The capacity of a member as an executive or non-executive shall be defined by the Board of Directors and validated by the General Assembly of the shareholders.
The independent members are non-executive members of the B.o.D that meet at least the independency criteria defined by law and are appointed by the General Assembly of the shareholders according to law 3016/2002.

3. Replacement of a member of the Board of Directors

The party that elect or appoint the Board of Directors may also elect or appoint alternate members of the Board of Directors in the event of resignation or death or any other loss of membership status of the Board of Directors by the persons elected by it.
Furthermore, in the event of a vacancy occurring in the Board prior to the end of tenure due to death, resignation or loss of his/her membership by other way , the remaining members, who may be no less than three, may appoint a temporary Board Member to fill the vacancy for the remainder of its term. This election is allowed if the replacement of the above members is not possible by alternate members elected by the General Assembly.
The appointment decision shall be submitted to the publicity formalities of L. 4548/2018 as valid, and announced by the Board of Directors at the next General Assembly, which may replace the appointed parties, even if the relevant item has not been included in the agenda. However, the actions of the temporary Member, from the time of its appointment up to the time the General Assembly may reject such appointment, are considered valid.

4. Convening the Board of Directors

a) The Board of Directors is convened by the Chairman or his/her substitute, each time it is required by the law or the Articles of Association of the Company. The Board of Directors shall convene at the Company's seat, but it may also meet validly, in any Municipality of the Region of Attica or at any other place in Greece or in other foreign country, provided that all the members are present and no one objects to the realization of meeting or the resolution process.

b) The meeting is announced by the Chairman or his/her substitute, through an invitation submitted to the members at least two (2) working days prior to the meeting and five (5) working days if the meeting is to take place outside the company seat, on a date, venue and time decided by the Chairman. The invitation shall clearly state the items on the agenda, otherwise decision-making shall be permitted only if all members of the Board of Directors are present or represented, and no member objects.

c) In the event a request (on the basis of a penalty may be imposed if rejected) for discussing specific items is submitted by at least two Members of the Board, the Chairman or his/her substitute is obliged to : a) include the issues mentioned by the request on the agenda of the first meeting of the Board of Directors after submission of the request; b) call a meeting of the Board of Directors, and set the date of the Meeting, no more than seven (7) days after submission of the request.

d) In the latter case, if the Chairman or his/her substitute refuses to call the Board of Directors, or calls it out of date, the members requesting the meeting can convoke the Board of Directors by themselves within five (5) days from expiry of the seven-day deadline, sending the relevant invitation to the other members of the Board of Directors.

e) The Board of Directors may also convene by teleconference. In this case, invitations to the members of the Board of directors shall include all necessary information for their participation in the meeting.

5. Board of Directors quorum and decision-making

a) Any member who is absent or prevented from attending may appoint another member as his/her representative in the Board of Directors. Any member attending the meeting may represent only one other member. The Board of Directors shall be considered to have a quorum and meet legally if at least half, plus one of the members are present or represented, with at least three (3) Members attending in person.

b) Each Member has one vote.

c) Resolutions of the Board of Directors are made with an absolute majority of the members who are present and represented.
d) Representation in the Board may not be delegated to persons who are not members thereof, unless said delegation is entrusted to any alternate member of the Board of Directors.

6. Minutes of the Board of Directors

Minutes of the discussions and resolutions of the Board of Directors shall be kept in a special book, which is signed by the Chairman or his/her substitute; such minutes may also be kept in electronic form. At the request of a member of the Board of Directors, the Chairman is obliged to enter in the minutes a summary of that member's opinion. The Chairman is entitled to refuse the registration of an opinion, which refers to matters obviously out of the agenda or its content is manifestly contrary to morality or law. This list also includes a list of members of the Board of Directors present or represented at the meeting. The drawing up and signing of minutes by all members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors, even if no meeting has taken place. This arrangement applies even if all the consultants or their representatives have agreed to make a majority decision in minutes without a meeting. The relevant minutes are signed by all the Board members.

7. Committees for the support of the Board of Directors

The work of the Board of Directors is supported by three Committees of the Board of Directors, the Audit Committee, the Strategy Committee, the Human Resources Committee, as well as the Purchasing Committee.

<u>Audit Committee</u>

Composition of the Audit Committee

The Audit Committee is composed of three (3) non-executive members of the Company's Board of Directors with the majority of them also being independent. The Chairman of the Committee is appointed by the members of the Committee and should be an independent member of the BoD. All Committee's members should have sufficient knowledge of the Company's activity industry, while at least one of them must be a member of the Audit Committee is a statutory auditor who is suspended or retired or have sufficient and relevant knowledge on financial, audit and accounting matters. The Committee recognizes the member's expertise on financial issues by relevant resolution.

The members of the Audit Committee are appointed by the General Assembly of Company's shareholders.

The evaluation of the nominee members of the Audit Committee shall be conducted by the BoD, following the recommendation submitted by the Company's HR Committee.

The Audit Committee's members are appointed every five years, as per the tenure of the BoD's members. The Board shall review the composition of the Audit Committee at its discretion and recommend to the General Assembly any possible changes.

Audit Committee's meetings

1. The Audit Committee shall meet at least four (4) times annually or more frequently, upon the invitation of the Chairman of the Committee. The invitation may be sent via fax or e-mail. In addition, the Board of Directors may also ask the Committee to convene further meetings with a view to discuss on any matters which the Board may consider necessary to deal with.
2. A quorum is attained when two (2) or more members are present. Decisions will be taken by majority vote.
3. The Audit Committee may convene through teleconference upon the invitation of the Chairman containing all the necessary details for the realization of the teleconference. The invitation may be sent via fax or e-mail. The items on the agenda of the meeting are finalized by the Chairman of the Committee.
4. The Director of Internal Audit t participates in the meetings of the Audit Committee by the invitation of the Chairman. The Audit Committee members may request any other person of the Company to attend its meetings to assist it with its discussions and considerations on any particular matter, on the Chairman's relevant approval.
5. A member of the Company's Legal Department shall be the Secretary of the Audit Committee, and shall be responsible to keep records of the respective minutes. The minutes of the Audit Committee will be distributed to the Board.

6. The Audit Committee reviews the adequacy of the Charter, also confirming that all of its responsibilities outlined in this Charter have been carried out, on an annual basis.

Audit Committee's Duties and Responsibilities

The Audit Committee serves as an independent and objective body responsible to review and appraise the auditing practices and performance of internal and external auditors. Its primary duty is to assist the Board of Directors in fulfilling its responsibilities by reviewing the Company's financial reporting processes, policies and internal control system.

The Audit Committee, in accordance with its Charter, shall inter alia:

- Informs the Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial information and which was the Audit Committee's role in the process.
- Supervises the financial reporting process and makes recommendations or proposals to ensure its integrity. It contributes to effective communication between the Internal Auditors, the External Auditors, the Senior Management and the Board of Directors. It monitors the statutory audit of the annual and consolidated financial statements and in particular its performance and recommends their approval to the Board of Directors.
- Oversee independence of external auditors. The Audit Committee is responsible for the procedure of the selection of external auditor(s) and recommends the external auditor(s) to the Board of Directors. It reviews the performance and the independence of external auditors while it monitors the provision of non-audit services to the Company in accordance with Article 5 of the Regulation of the European Parliament and the Council of the European Union (EU) No 537/2014.
- Monitor the effectiveness of internal control, quality assurance and risk management systems. The Audit Committee monitors the processes used to control the operations and finances of the Company. The Audit Committee ensures that the Internal Auditors have the appropriate resources and access to required information to fulfil their duties. The Audit Committee reviews and approves the Internal Audit Charter.
- Oversee performance of Internal Audit. It reviews and approves the Annual Audit plan proposed by the Internal Audit department. The Audit Committee reviews the reports prepared by Internal Audit and authorizes it to investigate any matter brought to its attention within the scope of its duties.
- Review risk management. The Audit Committee reviews the risk management methodology in use at the Company. The Audit Committee reviews the major risks facing the Company, the mitigation plan and progress against the mitigation plan.
- Reviews significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understands impact on the financial statements.
- Complies with the relevant recommendations, instructions, decisions and orders of the Hellenic Capital Market Commission or any other competent supervising authority that may be issued from time to time, with relation to the proper implementation and interpretation of the legislation regulating the Audit Committee's operation.

Jurisdiction

In carrying out its responsibilities, the Audit Committee derives the respective authority from the Law, the present Audit Committee Charter, the resolutions of the General Assembly and the Board of Directors. In addition, the Audit Committee has unrestricted access to all Company's' resources and data needed to fulfill its mission.

Strategy Committee (SC)

Strategy Committee Members

The Board of Directors appoints three (3) Members to sit on the Strategy Committee: two (2) non-executive members of the Board and the Chief Executive Officer. A non-voting Coordinator/Secretary is further being appointed. The Strategy Committee Members may, at their discretion, request additional persons to attend any particular Strategy Committee meeting.

The Strategy Committee has the following responsibilities:

- provides oversight and guidance to the Company within the guidelines and framework set by the Board.
- acts instead of the Board in between regularly scheduled meetings of the Board, when authority in this regard is expressly delegated to it by the Board.
- monitors, reviews and makes recommendations on the strategic, business and financial direction and performance of the Company.
- makes recommendations on and monitors investments, acquisitions and disposals and business development activities of the Company.
- reviews and makes recommendations on the Company's financial reporting processes.
- reviews and makes recommendations on all contracts proposed to be entered into by the Company, as these contracts will be forwarded to it by the Purchasing Committee (in accordance with the Purchasing Committee Terms of Reference), and according to the thresholds defined in the Financial Authority Matrix.

- forwards to the Board of Directors proposed contracts that are referred to it by the Purchasing Committee and which imply financial implications exceeding the Strategy Committee's competence in terms of the Financial Authority Matrix.

- reviews and monitors the materialization of all TV rights agreements, and the agreements that are relevant to the telecommunications services provision, as well as any other agreement that the Board of Directors considers each time appropriate.

Strategy Committee Meetings

The Strategy Committee shall meet at least once a month and may further meet on an ad hoc basis as necessary if a critical operational issue arises. All meetings are convened by invitation of the Chairman. Any other person can participate after Chairman's invitation.

The invitation of each such Strategy Committee meeting, together with the relevant agenda and discussion documents, shall be circulated by the Strategy Committee Coordinator / Secretary to all Strategy Committee Members and any invited persons no less than seven (7) calendar days prior to the date of the meeting.

A quorum shall be achieved with the presence of one non-executive director and the Chief Executive Officer.

The Chief Executive Officer shall, in the course of each Strategy Committee meeting, declare his consent or not with regard to each recommendation made by the Strategy Committee in accordance with its above-indicated role and responsibilities. Such agreement or disagreement shall be duly minuted by the Strategy Committee Coordinator/Secretary in respect of each Strategy Committee recommendation.

In case that the Chief Executive Officer agrees with the Strategy Committee recommendation, a specific timeframe for its implementation shall be specified and duly minuted. An updated report on the implementation status of all such recommendations agreed to by the Managing Director shall be presented at each Strategy Committee meeting subsequent to the one in which the particular recommendation will have been made.

In case that the Chief Executive Officer disagrees with a Strategy Committee recommendation, the matter shall be referred to the Board, for the latter's consideration and resolution during the subsequent Board meeting. The Board's resolution on each such matter shall be final and binding.

The Strategy Committee shall keep minutes of all its meetings, which minutes will, within seven (7) calendar days from the date of each Strategy Committee meeting, be circulated by round robin by the Strategy Committee Coordinator / Secretary to all the Strategy Committee Members. The minutes of the Strategy Committee shall be approved by the Board.

The language of all Strategy Committee meetings shall be English and minutes of all such meetings shall likewise be drafted in the English language.

Subject to the above, the Strategy Committee shall regulate its own procedure for its meetings.

<u>The Human Resources (HR) Committee</u>

Composition of the Human Resources (HR) Committee

The HR Committee is composed of four (4) Board members of which at least two (2) are non-executive and independent members of the Company's Board of Directors. The Board of Directors shall, by a majority vote, appoint the members of the HR Committee ("Member/s") and shall further determine who of such Members shall chair such Committee. The Committee should be chaired by an independent non-executive Board Member.

The Board may, by a majority vote, change the composition of the HR Committee at any time and shall, in any event, review the composition of the HR Committee every three years. If any Member resigns or his appointment is terminated by the Board, the Board shall elect a replacement Member by a majority vote of the then current Board.

The HR Committee is created by the Board of Directors of the Company in order to:
- oversee the Company's compensation and benefits policies generally;
- oversee and set compensation of the Company's CEO and c-level executive officers;
- evaluate performance of the Company's CEO and c-level executives, executive officers and approve changes proposed by the CEO in c-level management;
- propose executive, non- executive and non-executive independent Board Members to the Board after discussion among non-executive members of the Board of Directors that participate in the HR Committee;
- recommend the compensation policy applicable to the members of the Board of Directors, having regard to the Corporate Governance Code, international best practice and the specific circumstances, prior to the recommendation submitted by the Board to the General Assembly of the Company Shareholders on the same issue;

- review the Company's management succession plan;
- oversee the Company's compliance with its Corporate Governance Code regarding the issues of the Committee’s responsibility and
- review any other matters as may be requested of it by the Board from time to time.

HR Committee meetings

The HR Committee shall meet as often as it determines is appropriate to carry out its obligations and responsibilities under this charter. The Chairman, in consultation with the other Committee Members, shall determine the frequency of the Committee meetings and shall set meeting agendas consistent with this charter. No executive officer should attend that portion of any meeting where such executive's performance or compensation is discussed, unless specifically invited by the HR Committee.

Whenever it is deemed necessary to discuss and resolve on issues relevant to the nomination of executive, independent non-executive and non-executive Board members, the meetings will be held with the participation of non-executive members only, with a separate agenda. Such meetings will be minuted separately and the resolutions will be forwarded to the Board as defined herein under. A quorum exists only when all members of the HR Committee, excluding the executive members (that may not participate in said meetings) are present and resolve on the items of the agenda. In such instances, the HR Committee will convene under the title HR Nomination Committee. The HR Committee will establish the communication process from and to the Board of Directors that will apply for the purpose of determining the convocation and agenda of the HR Nomination Committee and communicate such process to the Board of Directors, so as to facilitate their cooperation.

The HR Committee may convene through teleconference upon the invitation of the Chairman containing all the necessary details for the realization of the call. The invitation may be sent via fax or e-mail.

The HR Committee may further take decisions by written resolution, in which case such decisions shall be effective as if they were taken at a meeting of the HR Committee provided that such written resolution is signed by all Members of the HR Committee.

A quorum is attained when three (3) Members are present. No business may be transacted at a meeting of this Committee unless a quorum is achieved. Decisions will be taken by majority vote of the Members present. In the event of a tie, the vote of the Chairman shall prevail for the purpose of resolving such tie. Only Members of the Committee, any person invited by them, and the Secretary to the Committee shall have the right to attend meetings of the Committee. Only Members of the Committee shall have voting rights; with all other invitees, including the Secretary, attend on a non-voting basis.

The HR Committee may invite the Company’s CEO (in the event that the CEO is not a Committee member) and/or the Head of Human Resources to join its meetings. The Committee may request any other officer of the Company to attend its meetings to assist it with its discussions on any particular matter.
If a matter under consideration is one where a Member of the Committee, either directly or indirectly has a personal interest, that Member shall not be permitted to vote at the meeting.
The recommendations of the HR Committee must be approved by the Board before they can be implemented.
The Secretary to the Committee, who shall be appointed by the HR Committee, shall be responsible for:

- confirming at the beginning of each meeting whether a quorum is present;
- keeping a written record of the minutes of the proceedings, and resolutions at all meetings of the Committee, including recording the names of those present and in attendance;
- circulating draft minutes of meetings of the Committee within seven (7)days of each such meeting to the Members of the Committee;
- circulating approved minutes of every HR Committee meeting to all Board members, at the first Board meeting occurring after the Committee meeting to which such minutes relate.

HR Committee’s Duties and Responsibilities:

In addition to any other responsibilities that may be assigned from time to time by the Board, the HR Committee is responsible for the following matters in fulfillment of its purpose as outlined above. In order to fulfill its mission, the HR Committee shall have (i) unrestricted access to all resources and data of the Company; and (ii) the authority to obtain, at the Company’s expense, any external professional advice (including the advice of independent remuneration consultants), as the HR Committee may deem necessary, after informing the Chairman of the Board of Directors and subject to regular reporting back to the Board thereon.

Compensation Policies

The HR Committee shall review and approve the Company's compensation and benefits policies generally, including reviewing and approving any incentive- compensation plans and equity-based plans of the Company. In reviewing such compensation and benefits policies, the HR Committee may consider the recruitment, development, promotion, retention and compensation of employees, the financial and operating circumstances of the Company and any other factors that it deems appropriate.
Specifically regarding the remuneration policy of the members of the Board of Directors, the HR Committee submits to the Board of Directors the content of the remuneration policy, which will be subjected to judgment and approval by the General Assembly pursuant to articles 110, et al of Law 4548/2018.

Executive Compensation

The HR Committee shall review and approve for the CEO and each c-level executive (defined as direct reports to the CEO), his or her (i) annual base salary level, (ii) annual incentive compensation, (iii) long-term incentive compensation, (iv) employment, severance and change-in-control agreements, if any, and (v) any other compensation or special benefit items.

Nomination of executive, independent non-executive and non-executive Board Members

The HR Nomination Committee, consisting solely of non-executive officers, shall nominate and present to the Board for approval executive, executive and non-executive independent Board Members at such instances when a nomination is necessary for the appointment or replacement of any individual board member or the Board as a whole, under the policy for nominating candidates for the Board of Directors approved by the Board.

The HR Nomination Committee is responsible to examine the independence status of all the nominated members and report to the Board accordingly. The relevant procedure also includes the completion of the “statement of the independence status of the members of the Board” by the nominated members, in which they verify their independence according to the criteria of the law.

Executive Performance and Changes in Executive Management

The HR Committee shall annually review the performance of the CEO and each c-level executive. In reviewing such executive performance, the HR Committee may consider the identified goals and objectives of the Company and goals and targets set for each executive. Furthermore, the CEO will present any proposed changes to the c-level executive team to the Committee.

Succession Plan

The HR Committee shall, in consultation with the Company's CEO, periodically review the Company's management succession planning, including policies for CEO, CFO and CCO selection and succession in the event of the incapacitation, retirement or removal of said executive.

The Purchasing Committee (PC)

Purchasing Committee Membership

The Board of Directors shall appoint not less than three (3) Members and not more than four (4) Members to sit on the Purchasing Committee, as well as a non-voting expert advisor. A non-voting Secretary shall further be appointed. The Purchasing Committee Members may, at their discretion, request additional persons to attend any particular Purchasing Committee meeting and assist the Purchasing Committee in the accomplishment of its obligations.

Purchasing Committee Duties and Responsibilities

The Purchasing Committee shall have the following functions:

- To review and approve every purchase and procurement transaction made by the Company according to the financial authority matrix;
- To review existing purchasing and procurement policies and procedures of the Company and ensure consistency in their application;
- To approve major purchasing/partnership decisions in such a way as to ensure a link with the Company’s strategic partners and to encourage the creation of synergies in the purchasing decision-making process;
- To review key risks and business implications of key contracts, including framework contracts, renewals, or annual support contracts (that is, all contracts with value over €50,000 excluding VAT) to be entered into by the Company;
- To ensure optimization of capital and operational expenditure;
- To participate in the annual evaluation procedure of all suppliers, to suspend, reinstate and exclude the cooperation with suppliers for performance-related reasons when necessary;

- To serve as the first reference point to which all contract proposals are to be referred and approved, provided that the financial implication in respect thereof is more than €50,000 excluding VAT;
- To review the contract proposals referred to it in terms of the preceding point and to make recommendations in regard to the same, as well as to assign competencies according to the Financial Authority Matrix, on condition that the proposed agreements the value of which is higher than the competency that has been assigned to the Management are referred by the Purchasing Committee to the Strategy Committee and the Strategy Committee, in its turn, will finally refer to the Board of Directors, all those proposed agreements that exceed the limit of its competency;
- To ensure the suitable materialization of all expenses approved according to the following Financial Authority Matrix;
- To approve the initial formation, as well as any change in the formation of the list of the preferable suppliers.

Purchasing Committee Meetings

The Purchasing Committee shall meet at least once a month and may further meet on an ad hoc basis according to the needs or whenever it is considered necessary by the members. The meetings of the Committee may also take place via teleconference.

Any invitation of each such Purchasing Committee meeting, together with the relevant agenda and discussion documents, shall be circulated by the Purchasing Committee Secretary to all Purchasing Committee Members, to the expert advisor and any invited persons no less than two (2) days prior to the date of the meeting.

A quorum shall be achieved with the presence of three (3) members of the Purchasing Committee

All Purchasing Committee approvals and recommendations made at each Purchasing Committee meeting shall be duly minuted by the Purchasing Committee Secretary at each such meeting and will be circulated within seven (7) days from the date of each meeting of the Purchasing Committee to all the members of the Purchasing Committee as well as to the expert advisor. In the event that the expert advisor is absent from any meeting of the Purchasing Committee, he should receive in this case too, a copy of the minutes of the said meeting (these minutes should record all approvals, proposals and resolutions that are taken in such meeting). The minutes of each Purchasing Committee meeting shall be approved at the following meeting.

In order the Purchasing Committee to be facilitated so as to accomplish its work, ensuring the proper approval of all the expenses according to the Financial Authority Matrix, an updated report on them should be presented by the Chief Executive Officer (or by any other person to whom he assigns this competency) in each Purchasing Committee meeting.

The language of all Purchasing Committee meetings shall be English and minutes of all such meetings shall likewise be drafted in the English language.

Subject to the above, the Purchasing Committee shall regulate its own procedure for its meetings.

G DIVERSITY POLICY APPLIED TO THE COMPANY'S ADMINISTRATIVE, MANAGERIAL AND SUPERVISORY BODIES.

Diversity regarding specific characteristics such as age, sex, level of education, personal skills, professional experience and culture is one of the criteria for the candidacy and final selection of the members of the Board of Directors of the Company. The HR Nomination Committee for Board members is composed exclusively of non-executive members and is responsible for assessing the needs and correspondingly implementing a diversity policy in relation to the above characteristics.

As regards the diversity of the Board of Directors on 31 December 2018, the ages of Board members range from 43 to 62. As regards their level of education, all Board members hold a combination of University degrees, post-graduate degrees, professional certifications and doctoral theses in a broad range of subjects, such as computer science, business administration, accounting, economics, etc. As regards their professional experience and culture, the Company's Board of Directors is composed of both Greek nationals and third country citizens of various nationalities who have served in various positions of responsibility at companies involved in major sectors of the market (whether in Greece or abroad), such as telecommunications, television, banking, etc., while one member has a distinguished academic and research career.

H. DISCLOSURE OF CONFLICT OF INTEREST REGARDING MEMBERS OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 97 PAR. 1 SEC. (B)

Pursuant to the provisions of Article 97 par. (1) sections (b) (d) and (e), the Company notes in this Annual Report of the Board of Directors that the independent and non-executive BoD member Bhavneet Singh has stated that there is a conflict of interest with regard to his status as a member of the Advisory Board of Antenna Media Group, one of the subsidiaries of which is the licensee to operate the Pan-Hellenic TV channel with the "ANT1" logo. Therefore, this member shall abstain from board meetings that may concern decision-making on issues that may be considered to be potentially conflicting.

8. RELATED PARTIES

The Company and the Group purchase goods and services from and provides services to certain related parties in the normal course of business. These related parties consist of companies that have a significant influence over the Group (shareholders) or are associates of the Group.

The Group's transactions and account balances with related companies are as follows:

Related Party	Relation with the Group	Year ended at	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2018	4,086,707	3,241,196	301,868	551,124
		31.12.2017	1,571,881	3,247,594	340,203	602,645
Vodafone S.A.	Shareholder	31.12.2018	4,712,095	2,487,152	300,428	548,014
		31.12.2017	2,903,471	2,484,352	267,468	511,692
Technology and Research Foundation	Shareholder	31.12.2018	32,970	44,200	24,671	333
		31.12.2017	51,505	10,590	34,267	3,500
Lumiere Productions S.A.	Shareholder	31.12.2018	-	-	-	6,378
		31.12.2017	-	-	-	6,378
Lumiere Cosmos Communications	Shareholder	31.12.2018	-	-	-	10
		31.12.2017	-	-	-	10
ALPHA BANK SA	Shareholder	31.12.2018	230,191	133,212	88,217	15,155
		31.12.2017	101,479	142,341	41,709	15,264
NATIONAL BANK OF GREECE SA	Shareholder	31.12.2018	191,693	156,853	137,679	124,455
		31.12.2017	29,757	170,777	23,061	247,458
PIRAEUS BANK SA	Shareholder	31.12.2018	1,191,056	8,472	98,851	4,968
		31.12.2017	1,240,333	-	65,717	-
ATTICA BANK SA	Shareholder	31.12.2018	45,088	-	2,289	-
		31.12.2017	1,217	-	1,223	-
Telemedicine Technologies S.A.	Associate	31.12.2018	-	-	3,734	-
		31.12.2017	-	-	3,734	-
Athlonet S.A.	Associate	31.12.2018	-	-	4,497	4,497
		31.12.2017	-	-	11,502	8,060
Vodafone Ltd.	Related Party	31.12.2018	1,554,834	1,130,040	357,597	216,431
		31.12.2017	1,306,094	1,437,214	112,690	-
Hellas Online	Related Party	31.12.2018	-	-	12	116
		31.12.2017	-	-	11	117
Cablenet Ltd	Related Party	31.12.2018	6,120	55,200	1,020	-
		31.12.2017	5,875	62,850	1,020	4,600
Total		31.12.2018	**12,050,754**	**7,256,326**	**1,320,863**	**1,471,481**
Total		31.12.2017	**7,211,612**	**7,555,718**	**902,605**	**1,399,724**

- The Company's revenues and costs from Wind Hellas Telecommunications S.A. are related to interconnection fees, swaps of fiber optic network and leased lines while the Company's revenues and costs from Vodafone Ltd, Vodafone – Panafon S.A. are related to interconnection fees and leased lines. The revenue increase in the current period is primarily attributed to the agreement reached in September 2017 between Forthnet Media S.A. and Vodafone – Panafon S.A. and Wind Hellas Telecommunications S.A. for the wholesale distribution to the latter of Forthnet Media's Pay TV "Novasports" branded channels.
- The costs from Alpha Bank and National Bank of Greece relate to commissions for collection from customers. The revenues from Alpha Bank, National Bank of Greece, Piraeus Bank and Bank of Attika relates to provision of services (leased lines, etc) as well as to the recharge of the monitoring officer cost.

The Company's transactions and account balances with related companies are as follows:

Related Party	**Relation with Forthnet**	**Year ended at**	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2018	1,355,088	3,174,406	301,868	545,263
		31.12.2017	1,571,881	3,176,230	340,184	599,279
Vodafone S.A.	Shareholder	31.12.2018	1,079,013	2,484,514	300,428	547,788
		31.12.2017	1,100,236	2,481,331	267,468	511,586
Technology and Research Foundation	Shareholder	31.12.2018	32,970	44,200	24,671	333
		31.12.2017	56,797	10,590	33,787	3,534
ALPHA BANK SA	Shareholder	31.12.2018	230,191	132,359	88,218	15,719
		31.12.2017	101,479	141,590	41,705	15,606
NATIONAL BANK OF GREECE SA	Shareholder	31.12.2018	191,487	102,968	137,389	124,456
		31.12.2017	29,351	110,555	22,894	247,459
PIRAEUS BANK SA	Shareholder	31.12.2018	1,191,554	8,472	99,554	4,968
		31.12.2017	1,239,586	-	65,607	-
ATTICA BANK SA	Shareholder	31.12.2018	45,088	-	2,289	-
		31.12.2017	540	-	299	-
Telemedicine Technologies S.A.	Associate	31.12.2018	-	-	3,734	-
		31.12.2017	-	-	3,734	-
Athlonet S.A.	Associate	31.12.2018	-	-	4,497	4,497
		31.12.2017	-	-	11,502	8,060
Vodafone Ltd.	Related Party	31.12.2018	1,554,834	1,130,040	357,597	216,431
		31.12.2017	1,306,094	1,437,214	112,690	-
Cablenet Ltd	Related Party	31.12.2018	6,120	55,200	1,019	2
		31.12.2017	5,875	62,850	1,019	4,600
Forth CRS S.A.	Subsidiary	31.12.2018	87,237	104,994	-	-
		31.12.2017	103,643	117,561	-	52,804
Forthnet Media S.A.	Subsidiary	31.12.2018	5,377,512	1,317,211	100,122,918	5,292
		31.12.2018 - Provision for impairment	-	-	(100,122,918)	(5,292)
		31.12.2017	7,136,309	899,055	99,925,647	3,775,097
NetMed S.A.	Subsidiary	31.12.2018	85,859	-	834,673	74,715
		31.12.2017	98,713	(1)	866,721	16,014
Intervision Services BV	Subsidiary	31.12.2018	82,955	-	361,051	-
		31.12.2017	184,131	-	278,094	-
Total		31.12.2018	**11,319,909**	**8,554,364**	**2,516,987**	**1,534,172**
Total		31.12.2017	**12,934,636**	**8,436,974**	**101,971,352**	**5,234,038**

- Revenues and receivables from Forthnet Media S.A. are mainly related to the 3 play commission re-charged to the subsidiary by the Company, as well as, charges for the re-sale of the Super league and UEFA football rights.
- The Company's payable towards Forthnet Media S.A. is mainly related to cash collected by its stores on behalf of Forthnet Media S.A.

As at December 31, 2018, the Company assessed the impairment indicators of its receivable from the subsidiary Forthnet Media S.A. (€100,1 million) and considered that the carrying amount is not recoverable thus proceeded with the full impairment of the receivable. The impairment indicators, included among others, the adverse current economic conditions in the Greek market as well as the uncertainty with respect to the successful outcome of the process that has been initiated for the identification of a prospective investor as highlighted in Note 7; at the same time the uncertainty about the adequacy and effectiveness of the intended management actions to cover the subsidiary's working capital cash needs and their ability to complete the subsidiary's refinancing of its contractual obligations under its loan agreements were also considered in the assessment.

Salaries and fees for the members the Board of Directors and the Senior Executives of the Group and the Company for the years ended 2018 and 2017 are analyzed as follows:

	The Group		The Company	
	01.01-31.12.2018	01.01 - 31.12.2017	01.01-31.12.2018	01.01 - 31.12.2017
Salaries and fees for executive members of the BoD	400,877	508,814	400,877	508,814
Salaries and fees for non-executive members of the BoD	290,860	238,659	290,860	238,659
Salaries and fees for senior managers	1,970,524	2,202,662	1,096,021	1,370,220
Total	**2,662,261**	**2,950,135**	**1,787,758**	**2,117,693**

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and senior executives relating to retirement insurance program amounted to € 150,784 for the Group and € 98,742 for the Company respectively (December 31, 2017: € 157,091 for the Group and € 108,450 for the Company respectively).
Also, it is noted that the caption "Salaries and fees for senior executives" also includes benefits relating to leaving indemnities which amounted to € 98,922 and € 61,589 for the Group and the Company respectively (December 31, 2017: € 211,465 for both the Group and the Company).
The amounts owed to the members of the BOD for the Group and the Company as of December 31, 2018 are € 66,686 (December 31, 2017: €64,912).

9. BOARD OF DIRECTORS' EXPLANATORY REPORT (according to Article 4(7)&(8) of Law 3556/2007)

The present Explanatory Report of the Board of Directors to the Ordinary General Assembly of the Shareholders includes additional detailed information in accordance with paragraphs 7 & 8 of Article 4 of Law 3556/2007 and constitutes a unified and integral part of the Annual Board of Directors' Report.

(a) Structure of the Company's share capital

The Company's share capital on 31.12.2018 amounts to forty nine million one hundred and fifty six thousand two hundred and fifty three euros and ten euros (€ 49,156,253.10) divided into one hundred and sixty three million eight hundred and fifty four thousand one hundred and seventy seven (163,854,177) common registered shares with a nominal value of thirty cents (EUR 0.30) each.

The Company's shares are dematerialised, common, registered, with voting rights, freely negotiable and transferable and listed for trading on the Athens Exchange and as of 25 November 2011 in the "Under Surveillance" segment as, according to the financial statement of 31/12/2010, the loss was larger than 30% of the net worth of the Company whereas there was no provision for the completion of a share capital increase within the term for which the Company was bound.

The status of shareholder implies the legal, ipso iure and unlimited exercise of all rights and the undertaking of all responsibilities arising from the legislation on Societes Anonymes, the provisions of the Articles of Association, the decisions of the General Assembly of Shareholders and the resolutions of the Board of Directors. Shareholders exercise their rights as regards to the management of the Company solely through the General Assembly and each share provides the right to one (1) vote at the General Assembly.

Moreover, each share provides:

- The right to a dividend from the Company's annual profits, in accordance with the stipulations of legislation and the Articles of Association;
- the right to withdraw the contribution after the end of liquidation and the balance of the product of liquidation of company property, in proportion with their participation in the paid-up share capital;
- the pre-emptive right in each increase of the Company's share capital with cash and new shares;
- the right to obtain a copy of the financial statements and the reports issued by the auditors and the Company's Board of Directors;
- the right to participate in the General Assembly, which includes the following rights: legitimacy, presence, participation in discussions, submission of proposals on items on the agenda, recording of opinions in the minutes and voting.

The General Assembly of Company shareholders reserves all its rights during liquidation.

Furthermore, any shareholder or shareholders representing 1/20th or 1/5th of the paid-up share capital enjoy minority rights, as stipulated by the Company's Articles of Association and the relevant legislation.

Additionally:

Following an approval resolution issued by the Board of Directors on 21 June 2016, pursuant to the relevant authorisation granted by the Ordinary General Assembly of the shareholders of the Company held on 28 June 2011, the Company issued a convertible bond loan up to the total amount of € 99,087,466.50 with a pre-emptive right for existing shareholders, in accordance with Article 3a of Codified Law 2190/1920, Law 3156/2003 and the other provisions of the applicable legislation (hereinafter referred to as the "CBL"). Through the CBL, the Company raised the sum of € 70,124,679.90 and certified its partial subscription on 11 October 2016, simultaneously issuing 233,748,933 convertible bonds, which were made available to beneficiaries. The convertible bonds issued have been listed for trading on the Stock Exchange, while as a result of the interim conversions based on the relevant announcements made by the Company, the remaining convertible bonds as at 31/12/2018 amounted to 179,991,941, of a nominal value of € 0.30 each. Their beneficiaries have the right to convert them into new shares, in accordance with the detailed provisions of the CBL Programme included in the Company's Prospectus dated 15 September 2016.

(b) Limitations on the transfer of Company shares

The transfer of Company shares takes place as stipulated by Law and there are no limitations on their transfer imposed by the Articles of Association, given that these are dematerialised shares listed on the Athens Exchange.

(c) Important direct or indirect holdings within the meaning of Law 3556/2007 (Articles 9 to 11)

I. Shareholders (natural or legal persons) who on 31 December 2017 held directly or indirectly more than 5% of the total number of its shares are mentioned below:

	SHARES	PERCENTAGE
WIND HELLAS TELECOMMUNICATIONS S.A.	36,332,457	22.17%
GO PLC	24,887,737	15.19%
MASSAR INVESTMENTS LLC	24,887,736	15.19%
PIRAEUS BANK S.A.	22,430,025	13.69%
NATIONAL BANK OF GREECE S.A.	18,039,387	11.01%
ALPHA BANK S.A.	12,592,500	7.69%

According to the notifications dispatched to the Company by 31/12/2016 pursuant to Law 3556/2007, voting rights in the Company as at 31.12.2017 are as follows:

(a) WIND HELLAS ELECOMMUNICATIONS S.A. is indirectly controlled by Crystal Almond Holdings Limited (former Largo Limited) through Crystal Almond Intermediary Holdings Limited and Crystal Almond Sarl. It is noted that, in accordance

with the notification dated 10th January 2018 received by the Company and disclosed on 11th January 2018 in compliance with Law 3556/2007, the percentage of voting rights directly held by WIND HELLAS TELECOMMUNICATIONS S.A. in the Company came to 22.17% on 19th December 2017.
(b) GO p.l.c. Is indirectly controlled by the Tunisian State through Tunisia Telecom and TT ML Limited. It is noted that, in accordance with the notification dated 10th January 2018 received by the Company from the Tunisian State and disclosed on 11th January 2018, in compliance with Law 3556/2007, the percentage of voting rights directly held by GO p.l.c. in the Company came to 15.19% on 21st December 2017.

(c) MASSAR INVESTMENTS LLC is directly controlled by Mr. ABDULAZIZ AL GHURAIR. It is noted that, in accordance with the notification dated 22nd January 2018 received by the Company and disclosed on 22nd January 2018, in compliance with Law 3556/2007, the percentage of voting rights directly held by MASSAR INVESTMENTS LLC in the Company came to 15.19% on 27th December 2017. It is noted that the Company has received the notification dated 14th January 2018 by Mr. ABDULAZIZ AL GHURAIR with the same content and disclosed on 15th January 2018.

(d) Piraeus Bank S.A., in accordance with the notification dated 27th December 2017 in compliance with Law 3556/2007 and disclosed on 27th December 2017, held in the Company a percentage of voting rights which came to 13.69% on 21st December 2017.

(e) National Bank of Greece S.A., in accordance with the notification dated 22nd December 2017 in compliance with Law 3556/2007 and disclosed on 27th December 2017, held in the Company a percentage of voting rights which came to 11.01% on 21st December 2017.

(f) Alpha Bank S.A., in accordance with the notification dated 22nd December 2017 in compliance with Law 3556/2007 and disclosed on 27th December 2017, held in the Company a percentage of voting rights which came to 7.69% on 22nd December 2017.

II. Shareholders (natural or legal persons) who on 31 December 2018 hold directly or indirectly more than 5% of the total number of its shares remain as they were on 31.12.2017 and are presented in the following table without any new disclosure as regards the change of voting rights, as mentioned above:

	SHARES	PERCENTAGE
WIND HELLAS TELECOMMUNICATIONS S.A.	36,332,457	22.17%
GO PLC	24,887,737	15.19%
MASSAR INVESTMENTS LLC	24,887,736	15.19%
PIRAEUS BANK S.A.	22,430,025	13.69%
NATIONAL BANK OF GREECE S.A.	18,039,387	11.01%
ALPHA BANK S.A.	12,592,500	7.69%

(d) Shares providing special control rights
There are no Company shares providing special control rights to their holders.

(e) Limitations on voting rights
The Company's Articles of Association do not provide for any limitations on voting rights arising from its shares.

(f) Company shareholders' agreements

There has been no communication to the Company for any agreement in force with its shareholders.

(g) Rules applicable to the appointment and replacement of members of the BoD and amendment of the Articles of Association
The rules set out in the Company's Articles of Association as regards the appointment and the replacement of members of the Board of Directors and amendments to the provisions of its Articles of Association do not differ from those provided for under Codified Law 2190/1920 as was amended and in force until 31.12.2018, except those mentioned below. It is noted

that Law 4548/2018 "Reform of the Law of Societes Anonymes", which took effect on January 1, 2019, replaced C.L. 2190/1920. The Company shall adjust its Articles of Association to the provisions of the new Law (4548/2018, as amended and in force), by decision of the General Assembly of its shareholders to be made in 2019.

1. **Article 15(6)** of the Company's Articles of Association, regarding the amendment of Article 32 of the Articles of Association, stipulates, by way of exception, that in order for a decision to be made by the General Assembly, a 3/4 majority of the paid-up share capital is required, while in Article 132 of Law 4548/2018 stipulates that such a decision is taken with absolute majority of the votes represented in the General Assembly. It is noted that the increased majority of Article 15(6) of the Articles of Association is legally provided since Article 132 (3), of Law 4548/2018, allow for the Articles of Association to provide for increased percentages of quorum and majority for certain issues. Article 32 of the Articles of Association concerns the power of the Board of Directors to subsidise the Institute of Information of FORTH-ICS in view of the Institute's contribution towards the development of the telecommunications market and the creation of the Company.

2. **Article 15(1)(j)** of the Company's Articles of Association stipulates that the decisions made with an increased quorum and majority include decisions concerning the amendment of Article 20(24) of the Company's Articles of Association, where the powers of the Managing Director are provided for. It is noted that for the abovementioned increased quorum (and until the Articles of Association is adjusted to the new law) article 130 (3) of Law 4548/2018 is adopted (at least 1/2 of the paid up share capital), while the majority and majority is in accordance with article 130, par. 2 and 5 and article 132, paragraph 3 of Law 4548 / 2018.

3. **Article 15(2)(b)** of the Company's Articles of Association ("Exceptional quorum and majority of the General Assembly) stipulates that "The repetitive General Assembly shall be considered to achieve a quorum and convene validly on the items of the agenda, when at least one fifth (1/5) of the paid-up share capital is represented thereat in accordance with Article 130 (4) of Law 4548/2018. It is noted that Article 130 (5) of Law 4548/2018 allows for the Articles of Association (When this is adjusted to the Law) to provide for higher percentages of quorum and majority for all or specific issues than those set out by law.

(h) Responsibilities of the BoD or certain members of the BoD as regards the issuance of new shares or the purchase of own shares in accordance with Article 49 of Law 4548/2018.

In accordance with the provisions of **Article 24 (1) (b) and (c) of Law 4548/2018 (which provision was also made in Article 13(1)(b)&(c) of Codified Law 2190/1920**, **as in force up until 31.12.2018)** in combination with the provisions of **Article 5 of the Company's Articles of Association**, the Company's Board of Directors has the right, following the relevant decision made by the General Assembly of the shareholders, subject to the disclosure formalities of Article 13 of Law 4548/2018, to increase the Company's share capital in part or in whole by issuing new shares or a bond loan with convertible bonds, following a resolution adopted by a majority of at least two thirds (2/3) of its total number of members, in line with what is stipulated in above provisions. The above power of the Board of Directors may be renewed by the General Assembly for a period that cannot exceed five years for each renewal, and its validity starts after the termination of each five-year period. This decision of the General Assembly is subject to the disclosure formalities of the Law.

Within the framework of the above legislative provisions, the Ordinary General Assembly of shareholders held on 28 June 2011 approved the renewal of the power of the Board of Directors, for a five-year period, to issue a resolution, passed with a two-thirds (2/3) majority of the total number of its members:

(i) to increase the Company's share capital in part or in whole by issuing new shares up to the amount of the Company's share capital paid up on the date of the General Assembly, in accordance with the Articles of Association and the law;

(ii) to issue a bond loan, in accordance with Article 3a of Codified Law 2190/1920 and the Articles of Association, with the right to convert the bonds into shares up to the amount of share capital paid up on the date of the General Assembly in accordance with the Articles of Association and the law.

On the basis of the above authorisation, on 21 June 2016, the Board of Directors of the Company issued a CBL, in accordance with Chapter (a) of this Explanatory Report, up to the total amount of EUR 99.087.466,50, with a pre-emptive right for existing shareholders, in accordance with Article 3a of Codified Law 2190/1920, Law 3156/2003 and the other provisions of the applicable legislation. This authorisation expired upon the completion of five years from the date of its granting and was not renewed.

In accordance with the provisions of **Article 113(14) of Law 4548/2018**, as in force, the General Assembly can decide, with increased quorum and majority and subject to the disclosure formalities, to authorise the Board of Directors to establish a stock option plan in accordance with paragraphs mentioned above by increasing, if necessary, the share capital and by taking all relevant decisions. Such authorisation is valid for five (5) years, unless the General Assembly sets a shorter term of duration, and is independent of the powers of the Board of Directors as set out in Article 24 (par. 1). The resolution of the Board of Directors is adopted under the terms of the above paragraphs.

On 31 December 2018, no such authorisation was in force.

(i) Important agreements coming into force, being amended or expiring in the case of changes in control following a public offer.

There are no agreements coming into force, being amended or expiring in the case of a change in the control of the Company, following a public offer. However, the Company has concluded agreements that grant the counterparties termination rights in the case of a change in control.

(j) Agreements with members of the Board of Directors or Company's staff foreseeing payment of compensation especially in the case of resignation or dismissal without justified reasons or termination of their term or employment, due to a public offer.

The contracts of the Chief Executive Officer and certain management executives provide for payment of additional compensation in the case of contract termination for which the aforementioned persons are not liable or in case of forced resignation, while some of the above contracts especially provide for payment of additional compensation in the case of contract termination by the Company or at the latter's fault, following change of the Company's control or due to an imminent change of control. Such a change of control could also be the result of a public offer. As for the rest, there are no agreements between the Company and the members of the Board of Directors of the Company or its staff, providing for payment of compensation especially in the case of resignation or dismissal without justified reasons or termination of their term or employment, due to a public offer.

Iraklio, 25/04/2019

Deepak Srinivas Padmanabhan

President of the
Board of Directors

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

THIS IS A TRANSLATION FROM THE ORIGINAL VERSION IN THE GREEK LANGUAGE

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Hellenic Company for Telecommunication and Telematic Applications S.A. ("FORTHNET S.A.")

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the separate and consolidated financial statements of the Hellenic Company for Telecommunications and Telematic Applications S.A. ''Forthnet S.A.'' (the "Company") and subsidiaries (the "Group"), which comprise the separate and consolidated statements of financial position as at December 31, 2018, the separate and consolidated statements of comprehensive income/(loss), changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of the Company and the Group as at December 31, 2018 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in the Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report. We remained independent of the Company and the its subsidiaries throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in the Greek Law, together with the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 7 to the separate and consolidated financial statements which indicates that, at December 31, 2018, (a) the Company and the Group had not proceeded with the payment of scheduled loan installments of € 78.0 million and € 255.0 million, respectively that were due and were classified as current as of that date and the payment of interest of € 3.2 million and € 12.1 million, respectively and, (b) the Company's and Group's current liabilities exceeded their current assets by € 97.7 million and € 364.9 million, respectively. Accordingly, the Company and the Group may not be able to meet their contractual obligations under their bond loan agreements and all their working capital requirements. In addition, as at December 31, 2018, the Company and the Group presented a negative equity of € 76.9 million and € 199.8 million, respectively. As further discussed in Note 7 (i), the Company's and Group's ability to complete the refinancing of their entire contractual obligations, including principal and interest, under their loan agreements and, (ii) the Company's and the Group's working capital sufficiency, cannot be assured, while additional uncertainties exist associated with (a) the current economic situation in Greece, (b) the successful outcome of the process that has been initiated for the identification of a prospective investor and, (c) the ultimate decisions of the General Assembly of Shareholders regarding the Company's negative equity position. Accordingly, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts, the amounts and classification of liabilities or any other adjustments that might result should the Company and the Group be unable to continue as a going concern. Our opinion is not modified in respect of this matter.

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece
Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the audit period. These matters and the related risks of material misstatement, were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition from contracts with customers (separate and consolidated financial statements)	
The Company and the Group recognized revenues from contracts with customers of € 157.0 million and € 281.6 million, respectively during the year ended December 31, 2018, consisting primarily of Pay-TV, broadband and fixed line services contracts (analysis included in note 9 to the separate and consolidated financial statements). We have identified revenue recognition, and in particular the determination of accrued and deferred revenue, as a key audit matter due to the complexity of the revenue contracts. Such complexity derives from the bundling of services and tariff changes within the year, the variety of services, products and tariffs offered and the large volume of data handled by the Company and the Group, in conjunction with the inherent complexity of the telecommunications billing systems and processes used to estimate and record revenue and the relevant accrued and deferred revenue. During 2018, the Company and the Group adopted the International Financial Reporting Standard 15 "Revenue from contracts with customers" ("IFRS 15") regarding revenue recognition. The Company's and the Group's disclosures relating to the accounting policy for revenue recognition can be found in notes 4 (s) and 5 to the separate and consolidated financial statements.	The audit procedures that we performed, among others, are as follows: Information technology specialists were included in our team to assist us in the testing of the information technology ("IT") environment of systems supporting material revenue streams, covering the process of ordering, provision of services, rating and billing. Our procedures also covered the assessment of the controls environment and the internal controls relating to change management and restricted access over these IT systems. We obtained an understanding of the IT and manual controls surrounding material revenue streams and we tested those controls in relation to transactions recorded and transferred across systems, from their initial capturing through their recording in the general ledger. We tested internal controls set by the management regarding the calculation and recognition of accrued and deferred revenue. We performed an analysis of accrued and deferred revenue based on our industry knowledge, forming an expectation of revenue based on key performance indicators taking into consideration disconnections, installations, tariff changes and trends in deferred income days. Also, we assessed the sufficiency of the related disclosures in the separate and consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Capitalization of Contract Costs (separate and consolidated financial statements)	
Capitalized contract costs at December 31, 2018, amounted to € 9.8 million for the Company and € 31.7 million for the Group. The Company and the Group capitalize the contract costs relating mainly to costs associated with activation services, one-off dealer commissions and cost of equipment provided to subscribers when they have been committed with a contract for 24 months. Contract costs that are capitalized are amortized over the average customer life which ranges from 3 to 5 years depending on the type of the service. We have identified the capitalization of contract costs as a key audit matter due to the judgment exercised in determining whether capitalized costs meet the recognition criteria set out in IFRS 15, the complexity of the relevant calculations and estimations relating to the duration of the amortization period and the risk that capitalized costs may no longer meet the relevant recognition criteria due to disconnection/ cancellation of relevant subscribers. The Company's and the Group's disclosures relating to the amounts capitalized as contract costs, the accounting policy, the judgements, the estimates and the assumptions used during the assessment on whether contract costs have been properly capitalized and impaired can be found in notes 4 (f), 5, 6 and 18 to the separate and consolidated financial statements.	The audit procedures that we performed, among others, are as follows: We obtained an understanding and evaluated the design of controls with respect to the process of capitalization of contract costs. We have evaluated the most significant elements of the capitalized costs by inspecting a sample of supporting evidence, understanding the nature of the capitalized costs and considering whether they meet the recognition criteria set out in IFRS 15. We recalculated the amortization charge for the year ended December 31, 2018, by taking into consideration the current year subscribers activations and disconnections as well as the average customer life per type of service. We compared the number of subscriber activations which is considered part of the Group's key performance indicators and any changes in the costs associated with the activation services with the amount capitalized during the year as contract costs. Also, we assessed the sufficiency of the related disclosures in the separate and consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of investment and amounts due from a subsidiary (separate financial statements)	
At December 31, 2018, the carrying value of the investment in the subsidiary, Forthnet Media S.A., in the separate statement of financial position was fully impaired, (€ 333.5 million initial cost less equal value accumulated impairment) after an impairment charge of € 3.8 million which was recognized in the current fiscal year with respect to this investment (note 20 to the accompanying separate and consolidated financial statements). In addition, a receivable of € 100.1 million is included	The audit procedures that we performed, among others, are as follows: We obtained the impairment test performed by management and assessed the judgements, estimates and assumptions used in this process with respect to future (forecasted) cash flows, the discount rate used, the growth rate to perpetuity, the market share during the forecasted period/year, and the EBITDA margin. In our assessment we also took into account historical information and available

in the gross balance of amounts due from related companies in note 41 to the separate and consolidated financial statements as at December 31, 2018, due from the subsidiary Forthnet Media S.A., against which a provision for impairment of equal amount has been recorded. Due to impairment indicators that existed as of December 31, 2018, which are described in the note 20 of the separate and consolidated financial statements, the Company proceeded with an impairment test exercise of its investment in the subsidiary, Forthnet Media S.A.. The Company considers that the level at which the recoverable amount of the investment should be determined (cash- generating unit or CGU) is a single operating segment (the “Group”). Accordingly, for this exercise, the Company used the business plans approved by the Group’s management and management’s estimates regarding key assumptions such as discount rate, market share during the forecasted period/year, growth rate to perpetuity and margin of earnings before interest, taxes, depreciation and amortization (EBITDA margin). Due to the same impairment indicators as described in notes 7, 20 and 41 to the separate and consolidated financial statements and in accordance with the provisions of IFRS 9 “Financial Instruments: Classification and Measurement“, which was adopted during 2018, the Company’s management proceeded with the evaluation of the required allowance for impairment of receivable from the subsidiary, Forthnet Media S.A., by taking into account, the current and expected profitability and cash flows of the subsidiary, its equity and any payments made subsequent to year end. Due to the judgment involved in the preparation of business plans and the aforementioned key assumptions, there are inherent uncertainties in the calculations and the actual results may differ from those forecasted by management. We have identified the impairment of an investment and amounts due from a subsidiary as a key audit matter, since the process of impairment test involves significant management judgement in determining the CGU at which the recoverable amount was determined, in the preparation of business plans and the selection of key assumptions used for the impairment calculation exercise (notes 20 and 41 to the separate and consolidated financial statements). The Company’s disclosures relevant to the accounting	industry/market data. In addition, we evaluated the assumptions used, factors considered and the Company’s process for recording the impairment provision on amounts due from a subsidiary and evaluated whether the process is in line with the relevant accounting standards. We assessed the consistency between periods by comparing the methods and the assumptions used. Also, we assessed whether events of the period or changes in the environment or in the facts and circumstances have been taken into consideration in the assumptions used. Valuation specialists were included in our team to assist us in evaluating the assumptions and methodologies used by management in the impairment test exercise. In addition, we have verified the mathematical accuracy of calculations of the relevant exercise. We obtained internal documents of the Company with respect to the current and expected situation of the subsidiary, Forthnet Media S.A. and intended management actions. We reviewed the minutes of the meetings of the Board of Directors and compared their contents in relation to the management’s assumptions on the recoverability of the receivable from the subsidiary. We considered the adequacy of the related disclosures in the separate and consolidated financial statements with respect to the above matters. We further assessed whether the disclosures concerning the sensitivity of the outcome of the impairment assessment to changes in key assumptions properly reflect the risks inherent in the key assumptions and the disclosure requirements of the accounting standards.

policy, the judgements, the estimates and the assumptions used for the assessment on whether the investments and amounts due from subsidiaries have been impaired can be found in notes 4, 6, 20 and 41 to the separate and consolidated financial statements.	

Other information

Management is responsible for the other information. The other information are included in the Board of Directors Report for which reference is also made in the section "Report on other Legal and Regulatory Requirements", the Statements of the Members of the Board of Directors, and other complementary information, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the separate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern principle of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Company's Audit Committee (art. 44 L. 4449/2017) is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in the Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, as incorporated in the Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern principle of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the audit period and are, therefore, the key audit matters.

<u>Report on other Legal and Regulatory Requirements</u>

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 43bb of Codified Law 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A, and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2018.

c) Based on the knowledge and understanding concerning the Company and the Group and their environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

It should be noted that at December 31, 2018, the Company's total equity was negative and, as a result, the provisions of article 48 of Codified Law 2190/1920 in effect as of that date were applicable. Effectively from January 1, 2019, the aforementioned article and law has been abolished and replaced by article 119 of Law 4548/2018. According, to the provisions of article 119 of Law 4548/2018, when an entity's equity is less than 50% of its share capital then, the entity's

Board of Directors is obliged to call for a General Assembly meeting of Shareholders within six months from the end of the reporting period to decide on the dissolution of the entity or the adoption of appropriate measures.

2. Additional Report to the Audit Committee

Our opinion on accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company, in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of non-audit services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.

Non-audit services provided by us to the Company and its subsidiaries during the year ended December 31, 2018, are disclosed in note 43 to the separate and consolidated financial statements.

4. Appointment of the Auditor

We were first appointed as auditors of the Company by the General Assembly on June 30, 2005. Since then our appointment has been uninterruptedly renewed for a total period of 14 years based on the General Assembly decisions of each year.

Athens, April 25, 2019

Chris Pelendridis
SOEL R.N. 17831

ERNST & YOUNG (HELLAS)
Certified Auditors Accountants S.A.
8B Chimarras, Maroussi,
151 25, Greece
Company SOEL R.N. 107

ANNUAL FINANCIAL STATEMENTS

for the year ended December 31, 2018

In accordance with the International Financial Reporting Standards as adopted by the European Union

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	The Group		The Company	
		01.01-31.12.2018	01.01-31.12.2017 (*)	01.01-31.12.2018	01.01-31.12.2017 (*)
Revenue from contracts with customers	9	281,594,563	294,037,227	157,004,775	166,438,200
Other income		3,648,948	3,024,337	1,794,415	3,144,068
Telecommunications costs		(78,573,469)	(82,739,228)	(78,522,741)	(82,739,227)
Royalties and licenses		(69,822,058)	(77,298,773)	(3,060)	-
Cost of sales of inventory and consumables		(1,827,271)	(2,600,690)	(1,258,973)	(1,697,787)
Advertising and promotion costs		(5,112,602)	(6,423,097)	(1,050,771)	(1,081,620)
Payroll and related costs	10	(33,843,390)	(35,781,542)	(19,487,567)	(19,931,752)
Sundry expenses	11	(52,781,747)	(50,830,825)	(33,381,079)	(31,846,618)
Impairment of investments in subsidiaries	20	-	-	(3,822,530)	(32,608,371)
Impairment of amounts due from related parties	41	-	-	(100,117,628)	-
Depreciation and amortisation	12	(61,499,989)	(60,594,213)	(27,533,912)	(27,693,729)
Financial income	13	15,850	2,706,107	73,395	67,041
Financial expenses	13	(16,041,804)	(16,351,760)	(5,083,910)	(6,004,345)
Loss before income taxes		**(34,242,969)**	**(32,852,457)**	**(111,389,586)**	**(33,954,140)**
Income taxes	14	4,833,184	3,004,126	(87,242)	(979,916)
Loss after taxes		**(29,409,785)**	**(29,848,331)**	**(111,476,828)**	**(34,934,056)**
Loss for the year attributable to:					
Shareholders of the Parent Company		(32,294,181)	(29,569,720)	(111,476,828)	(34,934,056)
Non-controlling interests		2,884,396	(278,611)	-	-
		(29,409,785)	**(29,848,331)**	**(111,476,828)**	**(34,934,056)**
Loss per share (Basic and diluted)	15	**(0.1971)**	**(0.2525)**	**-**	**-**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods					
Remeasurement gains/(losses) on defined benefit plans	36	200,257	172,758	113,552	(72,853)
Income tax effect	14	(35,872)	29,446	(28,388)	21,127
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**164,385**	**202,204**	**85,164**	**(51,726)**
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		**-**	**-**	**-**	**-**
Other comprehensive income is attributable to :					
Shareholders of the Parent Company		163,758	199,408	85,164	(51,726)
Non-controlling interests		627	2,796	-	-
		164,385	**202,204**	**85,164**	**(51,726)**
Total comprehensive loss for the year		**(29,245,400)**	**(29,646,127)**	**(111,391,664)**	**(34,985,782)**
Total comprehensive loss for the year attributable to :					
Shareholders of the Parent Company		(32,130,423)	(29,370,312)	(111,391,664)	(34,985,782)
Non-controlling interests		2,885,023	(275,815)	-	-
		(29,245,400)	**(29,646,127)**	**(111,391,664)**	**(34,985,782)**

The accompanying notes are an integral part of the Annual Financial Statements.
* The Group has applied IFRS 15 and IFRS 9 using the cumulative effect method. Under this method, the comparative information is not restated and the effect is shown in the opening retained earnings of 1.1.2018. See note 5

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

	Notes	The Group		The Company	
		31.12.2018	31.12.2017 (*)	31.12.2018	31.12.2017 (*)
ASSETS					
Non-current assets					
Property, plant and equipment	16	78,989,988	97,895,793	49,314,374	57,817,966
Intangible assets	17	70,452,275	96,071,870	9,099,688	15,847,920
Contracts cost	18, 5	31,707,393	-	9,757,571	-
Goodwill	19	83,144,217	83,168,812	512,569	512,569
Investments in subsidiaries	20	-	-	-	8,137,279
Other non-current assets	21, 5	3,055,308	8,655,911	620,033	6,427,770
Assets from contracts with customers	26, 5	5,337,186	-	5,337,186	-
Other financial assets	22	339,389	374,600	248,394	248,394
Deferred tax assets	14	9,070,347	10,039,539	1,794,381	2,731,208
Total non-current assets		**282,096,103**	**296,206,525**	**76,684,196**	**91,723,106**
Current assets					
Inventories	23	2,416,858	2,972,653	590,445	694,343
Programme and film rights	24	32,658,897	37,609,921	-	-
Trade accounts receivable	25, 5	36,314,883	51,961,784	19,990,021	30,489,928
Assets from contracts with customers	26, 5	12,466,537	-	12,125,987	-
Prepayments and other receivables	27	4,296,373	6,434,390	2,987,356	4,152,196
Due from related companies	41	1,320,863	902,605	2,516,987	101,971,352
Cash and cash equivalents	28	1,532,249	2,603,540	901,423	1,750,073
Restricted cash	28	5,477,465	6,996,217	5,404,813	6,993,558
Total current assets		**96,484,125**	**109,481,110**	**44,517,032**	**146,051,450**
TOTAL ASSETS		**378,580,227**	**405,687,635**	**121,201,228**	**237,774,556**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of					
Share capital	29	49,156,253	49,144,742	49,156,253	49,144,742
Share premium		300,499,045	300,499,045	300,499,045	300,499,045
Other reserves	30	192,292,303	192,145,413	192,094,093	191,960,308
Accumulated deficit		(741,662,288)	(730,781,218)	(618,685,713)	(510,699,925)
Total		**(199,714,687)**	**(188,992,018)**	**(76,936,322)**	**30,904,170**
Non-controlling interests		(40,725)	(2,928,377)	-	-
Total equity		**(199,755,412)**	**(191,920,395)**	**(76,936,322)**	**30,904,170**
Non current liabilities					
Long-term borrowings	32	42,977,769	41,071,527	42,977,769	41,071,527
Long-term transponder leases	33	28,480,602	41,092,076	-	-
Other long-term leases	34	36,709	254,773	36,709	254,773
Other long-term liabilities	35, 5	16,023,078	26,843,153	363,594	7,226,183
Liabilities from contracts with customers	26, 5	6,832,296	-	6,641,620	-
Reserve for staff retirement indemnities	36	4,050,255	4,423,878	2,443,546	2,494,079
Government grants	37	3,465,270	4,402,077	3,465,270	4,402,077
Deferred tax liability	14	15,047,111	20,158,222	-	-
Total non-current liabilities		**116,913,090**	**138,245,706**	**55,928,509**	**55,448,639**
Current liabilities					
Trade accounts payable	38	92,634,389	96,099,702	29,386,824	34,760,912
Due to related companies	41	1,471,481	1,399,724	1,534,172	5,234,038
Short-term borrowings	32	1,296,200	1,198,566	38,400	-
Current portion of long-term borrowings	32	255,000,000	255,000,000	78,461,538	78,461,538
Liabilities from contracts with customers	26, 5	22,268,835	-	12,317,977	-
Deferred income	26, 5	-	23,078,262	-	11,472,978
Current portion of transponder leases	33	12,611,474	11,727,821	-	-
Current portion of other leases	34	218,063	214,819	218,063	214,819
Current portion of programmes and film rights obligations	39	36,763,965	44,544,597	4,115,507	13,017,921
Income tax payable		1,963,971	1,738,338	942,762	551,738
Accrued and other current liabilities	40	37,194,171	24,360,495	15,193,799	7,707,803
Total current liabilities		**461,422,549**	**459,362,324**	**142,209,042**	**151,421,747**
Total liabilities		**578,335,639**	**597,608,030**	**198,137,550**	**206,870,386**
TOTAL EQUITY AND LIABILITIES		**378,580,227**	**405,687,635**	**121,201,228**	**237,774,556**

The accompanying notes are an integral part of the Annual Financial Statements.
* The Group has applied IFRS 15 and IFRS 9 using the cumulative effect method. Under this method, the comparative information is not restated and the effect is shown in the opening retained earnings of 1.1.2018. See note 5

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2018

	Attributable to equity holders of the parent company					***Non-controlling interests***	***Total Equity***
The Group	*Share Capital*	*Share Premium*	*Other Reserves*	*Accumulated deficit*	***Total***		
Total Equity beginning at January 1, 2017	33,029,156	300,499,045	195,611,216	(701,385,093)	**(172,245,676)**	(2,652,562)	**(174,898,238)**
Loss after taxes	-	-	-	(29,569,720)	**(29,569,720)**	(278,611)	**(29,848,331)**
Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods	-	-	-	199,408	**199,408**	2,796	**202,204**
Total comprehensive income	-	-	-	(29,370,312)	**(29,370,312)**	(275,815)	**(29,646,127)**
Legal reserve	-	-	25,813	(25,813)	**-**	-	**-**
Share capital increase from bonds conversion to equity (Note 29, 30, 32)	16,115,586	-	(2,777,120)	-	**13,338,466**	-	**13,338,466**
Share capital increase costs	-	-	(714,496)	-	**(714,496)**	-	**(714,496)**
Total Equity at December 31, 2017	**49,144,742**	**300,499,045**	**192,145,413**	**(730,781,218)**	**(188,992,018)**	**(2,928,377)**	**(191,920,395)**
Total Equity beginning at January 1, 2018	49,144,742	300,499,045	192,145,413	(730,781,218)	**(188,992,018)**	(2,928,377)	**(191,920,395)**
Impact from adoption of IFRS 15 and IFRS 9 (note 5)	-	-	-	21,262,498	**21,262,498**	2,622	**21,265,120**
Loss after taxes	-	-	-	(32,294,181)	**(32,294,181)**	2,884,396	**(29,409,785)**
Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods	-	-	-	163,758	**163,758**	627	**164,385**
Total comprehensive income	-	-	-	(32,130,423)	**(32,130,423)**	2,885,023	**(29,245,400)**
Legal reserve	-	-	13,105	(13,105)	**-**	-	**-**
Share capital increase from bonds conversion to equity (Note 29, 30, 32)	11,511	-	-	-	**11,511**	-	**11,511**
Other movements	-	-	133,785	(40)	**133,745**	7	**133,752**
Total Equity at December 31, 2018	**49,156,253**	**300,499,045**	**192,292,303**	**(741,662,288)**	**(199,714,687)**	**(40,725)**	**(199,755,412)**

The accompanying notes are an integral part of the Annual Financial Statements.
* The Group has applied IFRS 15 and IFRS 9 using the cumulative effect method. Under this method, the comparative information is not restated and the effect is shown in the opening retained earnings of 1.1.2018. See note 5

The Company	*Share Capital*	*Share Premium*	*Other Reserves*	*Accumulated deficit*	***Total***
Total Equity beginning at January 1, 2017	33,029,156	300,499,045	194,914,684	(475,714,143)	**52,728,742**
Loss after tax	-	-	-	(34,934,056)	**(34,934,056)**
Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods	-	-	-	(51,726)	**(51,726)**
Total comprehensive income	-	-	-	(34,985,782)	**(34,985,782)**
Share capital increase from bonds conversion to equity (Note 29, 30, 32)	16,115,586	-	(2,777,120)	-	**13,338,466**
Share capital increase costs	-	-	(177,256)	-	**(177,256)**
Total Equity at December 31, 2017	**49,144,742**	**300,499,045**	**191,960,308**	**(510,699,925)**	**30,904,170**
Total Equity beginning at January 1, 2018	49,144,742	300,499,045	191,960,308	(510,699,925)	**30,904,170**
Impact from adoption of IFRS 15 and IFRS 9 (note 5)	-	-	-	3,405,871	**3,405,871**
Loss after tax	-	-	-	(111,476,828)	**(111,476,828)**
Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods	-	-	-	85,164	**85,164**
Total comprehensive income	-	-	-	(111,391,664)	**(111,391,664)**
Share capital increase from bonds conversion to equity (Note 29,30,32)	11,511	-	-	-	**11,511**
Other movements	-	-	133,785	4	**133,789**
Total Equity at December 31, 2018	**49,156,253**	**300,499,045**	**192,094,093**	**(618,685,713)**	**(76,936,322)**

The accompanying notes are an integral part of the Annual Financial Statements.
* The Group has applied IFRS 15 and IFRS 9 using the cumulative effect method. Under this method, the comparative information is not restated and the effect is shown in the opening retained earnings of 1.1.2018. See note 5

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	The Group		The Company	
		01.01-	01.01-	01.01-	01.01-
Cash flows from Operating Activities					
Loss before income taxes		(34,242,969)	(32,852,457)	(111,389,586)	(33,954,140)
Adjustments for:					
Depreciation and amortization	12	61,499,988	60,594,213	27,533,912	27,693,729
Amortization of subsidies	37	(936,807)	(1,169,949)	(936,807)	(1,169,949)
Loss from the sale of tangible and intangible assets		(69,510)	(7,383)	(202,175)	(202,264)
Financial (income)/expenses	13	16,025,954	13,645,653	5,010,515	5,937,304
Impairment of investments in subsidiaries	20	-	17,405	3,822,530	32,608,371
Impairment of amounts due from related parties	41	-	-	100,117,628	-
Gain from disposal of subsidiary	20	(2,073,152)	-	(550,251)	-
Allowance for doubtful accounts receivable	24,26	3,660,549	6,186,114	4,472,076	3,119,910
Provision for staff retirement indemnities	10	1,271,049	1,693,104	777,734	1,204,730
Other provisions		(251,113)	(241,760)	(78,438)	(22,648)
Operating profit before working capital changes		44,883,989	47,864,940	28,577,138	35,215,043
(Increase)/Decrease in:					
Inventories		754,960	1,821,379	182,339	807,015
Trade accounts receivable & amounts due from related companies & assets from contracts with customers		(4,557,011)	(5,742,267)	(6,423,606)	(13,098,513)
Programme and film rights		4,951,024	1,954,713	(8,902,414)	1,460,660
Prepayments and other receivables		1,778,267	1,087,658	1,196,464	(1,381,278)
Decrease in other non-current assets		391,214	435,051	602,852	670,445
(Increase)/Decrease in:					
Trade accounts payable and amounts due from related companies		(11,051,972)	4,703,869	(9,068,664)	(1,801,565)
Deferred income& liabilities from contracts with customers		(2,706,598)	(1,281,702)	(253,831)	(1,599,892)
Accrued and other current liabilities		7,432,409	217,304	5,562,094	2,369,525
Income taxes paid		(818,403)	(1,376,046)	(598,303)	-
Payment of staff retirement indemnities		(1,223,854)	(1,624,219)	(714,715)	(1,189,465)
Decrease in other long-term liabilities		(5,623,854)	(3,193,878)	(894,427)	(772,755)
Net cash from Operating Activities		34,210,171	44,866,802	9,264,927	20,679,220
Cash flow from Investing activities					
Capital expenditure for property, plant and equipment and intangible assets	16,17	(23,915,054)	(30,642,566)	(15,147,042)	(19,318,475)
Sale of tangible and intangible assets		171,166	230,618	-	-
Disposal of subsidiary	20	4,531,942	-	4,790,000	-
Interest and related income received		15,850	23,355	73,395	23,000
Restricted cash	28	1,518,752	1,934,269	1,588,745	1,934,276
Net cash used in Investing Activities		(17,677,347)	(28,454,324)	(8,694,902)	(17,361,199)
Cash flows from financing activities					
Share Capital increase related costs		-	(714,495)	-	(177,255)
Repayment of long-term borrowings	20	(1,198,566)	-	-	-
Net change in short -term borrowings	32	1,296,200	-	38,400	-
Interest rate swap paid		-	(215,981)	-	-
Interest and other finance costs paid		(2,281,359)	(3,940,694)	(1,236,685)	(2,912,172)
Net change in leases	33,34	(15,420,390)	(13,860,508)	(220,390)	(220,509)
Net cash used in financing activities		(17,604,115)	(18,731,678)	(1,418,675)	(3,309,936)
Net decrease in cash and cash equivalents		**(1,071,291)**	**(2,319,200)**	**(848,650)**	**8,085**
Cash and cash equivalents at the beginning of the year	28	2,603,540	4,922,740	1,750,073	1,741,988
Cash and cash equivalents at the end of the year	**28**	**1,532,249**	**2,603,540**	**901,423**	**1,750,073**

The accompanying notes are an integral part of the Interim Condensed Financial Statements.
* The Group has applied IFRS 15 and IFRS 9 using the cumulative effect method. Under this method, the comparative information is not restated and the effect is shown in the opening retained earnings of 1.1.2018. See note 5.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

1. CORPORATE INFORMATION:

HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A. (hereinafter referred to as the "Company" or "Forthnet"), was incorporated in Greece in November 1995 (Government Gazette 6718/27.11.1995) as a société anonyme by the "Technology and Research Foundation" and "Minoan Lines S.A.".

The Company's registered office is at Vassilika Vouton, Iraklion, Crete, while its administrative headquarters are in Pallini, Attica at Manis Street, 153 51 Kantza. The life of the Company, according to its Articles of Incorporation, has been determined to be 40 years from the date of its incorporation with a possible extension permitted following a decision of the General Meeting of the Company's Shareholders.
Effective from October 2000, Forthnet's shares were listed on the Athens Exchange S.A.

The Company's principal activities, in accordance with article 3 of its Articles of Incorporation are the provision of telecommunications services and electronic information systems, the development and use of any telecommunications and network technique and infrastructure in Greece and overseas, the provision of digital radio-television and/or audiovisual services, by any technical mean, median or method, the operation of which requires or does not require frequencies and the development of any other associated activity.

The Company is licensed under a regime of general licenses, by the National Telecommunications and Post Commission (EETT), by virtue of the "General Licenses Regulation" (No. 390/3/13.6.2006 EETT Resolution) for the operation of a fixed public telephone network, a fixed network of wireless access, a fixed network of electronic communications consisting of cordless micro-links, a fiber optics network and for the provision of services regarding Broadband Access, Data Transfer, Value Added Data, Telematic /Telemetry-radiolocation, audiotex, voice and data integration for intrabusiness networks and closed user groups, telephone services as well as Voice services through IP Protocol and via the internet.

Companies participating directly (by more than 5%) in the share capital of the Company at December 31, 2018 and December 31, 2017 are as follows:

	% Participation 31.12.2018	% Participation 31.12.2017
WIND HELLAS TELECOMMUNICATIONS AEBE	22.17%	22.17%
GO PLC	15.19%	15.19%
MASSAR INVESTMENTS LLC	15.19%	15.19%
NATIONAL BANK OF GREECE	11.01%	11.01%
PIRAEUS BANK	13.69%	13.69%
ALPHA BANK	7.69%	7.69%

The Group's number of employees at December 31, 2018, amounted to 972, while that of the Company to 600. At December 31, 2017, the respective number of employees was 1,142 for the Group and 678 for the Company. It is clarified that the above figures refer to Full Time Equivalent (FTEs) and not to the absolute number of staff (Head Count) as at 31.12.18.

The consolidated financial statements for the year 2018, as well as the financial statements for the year 2017, except for Forthnet A.E., include the following subsidiaries and affiliates in which Forthnet directly or indirectly exercises control:

Entity's name	Date of incorporation	Operating activities	Country of incorporation	Participation	
				31.12.2018	31.12.2017
Forth-CRS A.E.	18/2/2000	Electronic ticketing services	Greece	0.00%	99.31%
Forth-CRS ITALIA S.R.L.	29/9/2015	Electronic ticketing services	Italy	0.00%	100%
Forthnet Media A.E.	23/4/2008	Pay TV services	Greece	99.99%	98.97%
NetMed N.V.	12/1/1996	Holding company	Netherlands	100%	100%
NetMed A.E.	12/1/1996	Customer support services	Greece	100%	100%
Intervision Services B.V.	12/1/1996	Content acquisition services	Netherlands	100%	100%
Dimoko Investment Sarl	12/1/1996	Holding company (under liquidation)	Luxembourg	100%	100%
Tiledrasi S.A	18/6/2003	Holding company (under liquidation)	Luxembourg	100%	100%

Forth CRS S.A.'s principle activities are to provide integrated tourism services through the research, development, use and sale of modern, high convergent technological electronic products and services for the distribution and management of tourism material, such as reservations, ticketing and other related material, produced by entities such as shipping companies, airlines and other transportation enterprises, hotel enterprises, promotion and entertainment enterprises, enterprises relating to sports, hospitals and all other electronic reservation organizations. At September 29, 2015 the company established to Italy a subsidiary under the name "Forth-CRS ITALIA SRL.", with the same scope of work. On September 26, 2018, the Company transferred its participation in the aforementioned companies (as mentioned in note 20) and then ceased to consolidate it.

Forthnet Media S.A. was incorporated in April 2008. Its principal activities is the acquisition, administration and exploitation of holdings in enterprises of any nature, which are activated in the field of the electronic communications and the media, the provision of administrative, supportive and other services to these enterprises, as well as to other members of the Company's group, the provision of satellite services to any natural or legal person of private or public law, for the transfer of radio and television signals and data or of any combination or texts or/and images or/and sounds or/and data, with the exception of voice telephony services, from ground satellite stations to the space part (uplink) and from the space part to ground satellite stations (downlink) or reception terminal devices of any kind, the production and exploitation in any manner, of codified TV programs that are destined for pay TV operation and the cooperation with legal entities for the broadcast of codified programs, as well as the acquisition and management of investments in other legal entities that are engaged in the electronic communications and media sectors

In 2014 Forthnet Media S.A. received by the Greek authorities authorization for pay television and radio services and signed the Concession Agreement with the Greek State, according to Law 2644/1988. Under this license, and for a period of 15 years, the Company was authorized to provide directly to the subscribers radio and television broadcasting services via satellite, in processing digital TV signal.

The Board of Directors of Forthnet approved the separate and consolidated financial statements for the year ended at December 31, 2018, on 25/04/2019.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) anf adopted by the European Union (E.U.).

These financial statements have been prepared on a historical cost basis except for the valuation of available for sale financial assets and financial assets at fair value through profit or loss (including derivative financial instruments), which are measured at fair value.

3.BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Forthnet and all subsidiaries where Forthnet has the power to control. All subsidiaries (companies in which the Group has direct or indirect ownership of 50% or more voting interest or has the power to control the Board of the investees) have been consolidated. At each reporting period, the Group reassesses whether it exercises effective control over the investments, in case there are events and circumstances indicating a change in effective control's indications. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

Gain or Losses of subsidiaries, along with other income, are attributed to the non-controlling interest even if that results in a deficit balance.

All intra-group balances transactions and unrealized gains and losses resulting from intra-group transactions are eliminated in full in the consolidated financial statements. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the GroupA change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parents' share of components previously recognised in other comprehensive income to profit or loss

Investments in subsidiaries in the separate financial statements are accounted for at cost less any accumulated impairment.

Any differences in totals in the financial statements and in the notes as well as between them are due to rounding.

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Business Combinations and Goodwill: Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (previously minority interests) in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit and loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall

not be re-measured until it is finally settled within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.
Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.
Where goodwill forms part of a cash-generating unit and part of the operation of this unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Investments in Associates: The Group's investments in other entities in which it exercises significant influence are accounted for using the equity method. Under this method the investment in associates is recognised at cost and subsequently increased or decreased to recognize the investor's share of the profit or loss of the associate, changes in the investor's share of other changes in the associate's equity, distributions received and any impairment in value. The consolidated statements of comprehensive income reflect the Group's share of the results of operations of the associate. The consolidated statements of other comprehensive income reflect the Group's share of the Company's other comprehensive income. Investments in associates in the separate financial statements are accounted for at cost less any accumulated impairment.

(c) Foreign Currency Translation: The Group's measurement as well as reporting currency is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the financial position date, monetary assets and liabilities which are denominated in other currencies are adjusted to reflect the current exchange rates.
Gains or losses of the period ended resulting from foreign currency re-measurements are reflected in the accompanying statement of comprehensive income. Gains or losses resulting from transactions are also reflected in the accompanying statement of comprehensive income.

(d) Property, Plant and Equipment: Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Repairs and maintenance costs are expensed as incurred. Significant improvements are capitalised to the cost of the related asset if such improvements increase the life of the asset, increase its production capacity or improve its efficiency. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the statement of comprehensive income.
Profit and losses arising from the write-off of assets are included in the statement of comprehensive income this asset is written-off.

(e) Depreciation: Depreciation is computed based on the straight-line method at rates, which approximate average useful lives. The rates used are as follows:

Classification of tangible asset	Annual Rates
Buildings	2,5%
Installations on buildings	11,11%-20%
Network equipment (Internet and Fixed Telephony)	12,5%
Network support equipment (LMDS)	8%-16%
Network equipment LLU	12,5%-33%
Fibre-optic network	7,14%
Transportation assets	10%-20%
Computer hardware	10%-33%
Transmission equipment	6,67% - 20%
Furniture and other equipment	10%-20%

Residual values and useful lives of tangible assets are reviewed and adjusted at each year end, if appropriate. When the net book value of an asset is greater than the recoverable value, then the value of the asset is adjusted up to the amount of the recoverable value.

(f) Intangible Assets: Intangible assets include costs of purchased and internally generated software and various licences. Purchased intangible assets acquired separately are capitalised at cost while those acquired from a business combination are capitalised at fair value at the date of acquisition. Such acquired intangible assets are patents, brand names, trademarks, title rights, concession rights, software and other similar intangible assets. Internally generated software includes costs such as payroll, materials and services used and any other expenditure directly incurred in developing computer software which meets the capitalisation criteria and brings the software into its intended use. No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the statement of comprehensive income in the period in which they are incurred.

Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses.

The Group capitalizes in the line of the statement of financial position “Contracts cost” the subscribers’ acquisition cost cost for services of unbundled access to the local loop and for pay-TV services for which the customer is bound by a contract (usually lasting for 24 months). These costs include, in particular, sales commissions to commercial agents / associates, loop activation fees paid, installation fees and the cost of equipment used to access the pay-TV services. In the event of the termination of the contract before its expiration, the unamortised balance of the acquisition cost of subscribers is recognized as an expense in the statement of comprehensive income.

Intangible assets with indefinite useful lives are not amortised, but tested annually for impairment and carried at cost less accumulated impairment losses. Such intangible assets are adjusted for impairment when the carrying amount exceeds the recoverable amount. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. Intangible assets with finite useful lives are being amortised using the straight-line method over their estimated useful lives and tested for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives and residual values of intangible assets are reassessed on an annual basis. Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Classification of intangible asset	Years
Software	5
Fixed wireless access license	13
Pay TV license	15
Subscriber acquisition cost	3-5
Reputation and customer base	2-5
Brand name	15
Customer relationships	15
Intellectual property rights and patents	15

(g) Programme and Film Rights: Purchased programme and film rights are stated at acquisition costs less the amounts recognised in the statements of comprehensive income (current asset). The Group has certain programme and film rights liabilities that are classified as financial liabilities in terms of IFRS 9, measured at amortised cost using the effective interest method. Licenses are recorded as assets and liabilities for rights acquired, and obligations incurred under license agreements when the license period begins and the cost of each programme is known or reasonably determinable.

Rights for single sporting events are recognised on initial broadcasting of the event whereas sports rights acquired for an entire sporting season are amortised on a straight line basis over the duration of the season.

Rights for general entertainment and films are amortised either on a straight-line basis over the duration of the license or based on broadcasts where the number of screenings are restricted.

The expenses of programme and film rights are included in the cost of providing services and sale of goods. The costs of in house programmes are expensed as incurred.

(h) Research and Development Costs: Research costs are expensed as incurred. Development expenditure is mainly incurred for developing software. Costs incurred for the development of an individual project are recognised as an intangible asset only when the requirements of IAS 38 "Intangible Assets" are met. Following initial recognition, development expenditure is carried at cost until the asset is ready for its intended use at which time all costs incurred for that asset are transferred to intangible assets or machinery and are amortised over their average useful lives.

(i) Impairment of Non-Current Assets: With the exception of goodwill and other intangible assets with indefinite usefullife which are tested for impairment on an annual basis, the carrying values of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is measured as the higher of fair value less cost to sell and value in use. Fair value less cost is the amount for which the asset could be exchanged in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment losses which were accounted for in prior years are reversed only when there is sufficient evidence that the assumptions used in determining the recoverable amount have changed. In these circumstances, the related reversal is recognised as income. The carrying amount of a non-current asset after the reversal of the impairment loss, cannot exceed the carrying amount of the asset, if the impairment loss had not been recognised. Probable impairment of goodwill is not reversed.

(j) Financial instruments – initial recognition and subsequent measurement

(I) Financial Assets

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the contractual characteristics of the cash flows of the financial asset and the Group's business model for management. Except for trade receivables that do not contain a significant financial component or for which the Group has applied the practical expedient, the Group initially assesses the financial assets at their fair value no longer, in the case of one financial asset not measured through profit or loss, transaction costs. Trade receivables that do not have a significant financial component or for which the Group has applied the practical expedient are valued at the transaction price determined in accordance with IFRS 15. Note 5 analyzes the accounting policy for revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

<u>Financial assets at amortised cost (debt instruments)</u>
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows,

AND

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group’s financial assets at amortised cost mainly include trade receivables and, at Company level, loans to subsidiaries.

<u>Financial assets at fair value through OCI (debt instruments)</u>
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling,

AND

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss

As of December 31, 2018 the Group does not have financial assets falling into this category.

<u>Financial assets designated at fair value through OCI (equity instruments)</u>
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category

<u>Financial assets at fair value through profit or loss</u>
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

As of December 31, 2018 the Group does not have financial assets falling into this category.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets
Further disclosures relating to impairment of financial assets are also provided in the following notes:
- Note 5 (Changes in accounting policies)
- Note 6 (Significant accounting estimates and judgements)
- Note 25 (Trade receivables) & Note 26 (Contract balances)
- Note 41 (Related parties)

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and assets from contracts with customers, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(II) Financial Liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments
Gains or losses on liabilities held for trading are recognised in the statement of profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss

As of December 31, 2018 the Group does not have financial assets falling into this category.

Loans and borrowings & Trade payables
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective EIR amortisation process. The same is valid for Trade Payables.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings as well as trade payables. For more information, refer to Note 32 and 38.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss

(III) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(k) Derivatives: The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

As of December 31, 2018 the Group does not hold any derivatives.

(l) Inventories: Inventories are valued at the lower of cost or net realisable value. Cost is determined based on a first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. A reserve is established when such items are determined to be obsolete or slow moving.

(m) Cash and Cash Equivalents: The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents. For the purpose of the cash flow statement, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.

(n) Borrowing Costs: All borrowing costs incurred during the construction period of a qualifying asset are capitalizedas part of the cost of these assets. All other borrowing costs are recognised as an expense in the statement of comprehensive income when incurred.

(o) Leases: Finance leases, that transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, at the fair value of the leased item, or if lower at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly against income. Capitalised leased assets are depreciated over the estimated useful life of the asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised equally as an expense during the lease agreement in the statement of comprehensive income.

(p) Government Grants*:* The Group obtains grants from the European Union (E.U.) in order to fund specific projects for the acquisition of tangible and intangible assets.

Grants, which are related to the subsidization of intangible and tangible fixed assets, are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants relating to assets are recognised as deferred income and amortised in accordance with the useful life of the related asset. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(q) Provisions and Contingencies: Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. Provision and contingencies are depicted in notes 42 and 45.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

(r) Income Taxes (Current and Deferred): Current and deferred income taxes are computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece or other tax jurisdictions in which entities operate.

Income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns, additional income taxes resulting from the audits of the tax authorities and deferred income taxes, using substantively enacted tax rates.

Deferred income taxes are provided using the liability method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

• Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences.

Deferred tax assets are reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the financial position date.

For transactions recognised directly in equity, any related tax effects are also recognised directly in equity and not in the statement of comprehensive income.

(s) Revenue Recognition:
Under IFRS 15, the Group considers that there is no contract if each party to the contract retains the unilaterally enforceable right to terminate a fully unperformed contract without compensating the other party(es). The group considers that this right exists in the case of customers who are not bound by a contract (which usually concerns a commitment period of 12 to 24 months).

With respect to the determination of performance obligations at the entry into force of the contract, the Group assesses the promised goods or services of a contract with a client and identifies as a performance obligation any transfer of promise to the client either for:

(a) a good or service (or set of goods or services) that is distinct;
(b) a series of distinct goods or services which are essentially the same and are transferred in the same way to the customer

The Group has assessed that the majority of its revenue fall under paragraph 23 of IFRS 15 ("A series of distinct goods or services is transferred to the customer in the same pattern").

The Group recognizes revenue when (or over the time) it satisfies its performance obligation by transferring of a promised asset or service to a client. An asset is transferred when (or during the period that) the client acquires control of that asset.

In determining the transaction price, the Group examines the terms of the contract and its usual business practices. The transaction price is equal to the amount of consideration that the Group estimates to be entitled for the transfer of the promised goods or services to a client, excluding the amounts received for third parties (for example, certain sales taxes). The promised consideration provided in a contract with a client may include fixed amounts, variable amounts or both.

With regard to the allocation of the discount, a customer receives a discount on the purchase of a bundle of goods or services if the sum of the standalone selling prices of such promised goods or services exceeds the promised consideration of the contract. If the Group does not have observable evidence that the total discount relates only to one or more contract performance obligations but not all, the Group allocates the discount proportionally to all contract performance obligations. The proportional allocation of the discount in these cases is the result of the allocation of the transaction price to each performance obligation based on the relevant stand along selling prices of the underlying distinct goods or services.

With respect to its revenue disclosures, the Group analyzes the income recognized by contracts with customers in categories that reflect how the nature, quantity, timing and uncertainty of income and cash flows are affected by economic factors.

More specifically, the Group's revenues mainly include fixed telephony services, internet access services, data services and pay-TV services.

Unbilled fixed telephony revenues from the date of the billing cycle to the closing date of the statement of financial position on a monthly basis are estimated based on the telecommunications traffic.

Revenue from Internet access, Internet Leased Lines, Data Connectivity Services, LMDS, etc. are recognized during the period that these services are actually provided to subscribers / customers (i.e. satisfied over time).

Revenue from pay-TV services is recognized during the period in which the services are provided. Revenue from subscriptions comes from the monthly subscription of subscribers to pay-TV services provided by the Group. Any subscription revenue received before the service is provided is recorded in line "Liabilities from contracts with customers" and is recognized in the month in which the service is provided.

The Group's advertising revenue comes from the transmission of advertisements from pay-TV platforms. Pay-TV advertising revenue is recognized by the transmission.

Revenue from services to subscribers provided by the Group for content services on behalf of other providers (mainly premium rate numbers) is recognized as gross revenue or as net revenue deducted from the content providers' fees depending on whether the Group acts as the main provider or intermediary provider based on signed contracts with content providers. The Group acts as an intermediary provider when the other provider is responsible for the content and price of the service to the subscribers of the Group and the Group does not bear the credit risk for collecting the relevant receivables from subscribers.

Further information on the impact of IFRS 15 on the accounting policies of the Company and the Group is provided in Note 5.

(t) Earnings/(Loss) per Share: Basic earnings/(loss) per share are computed by dividing net income/(loss) attributable to the shareholders of the parent by the weighted average number of ordinary shares outstanding during each year, excluding the average number of shares purchased as treasury shares.

Diluted earnings/(loss) per share amounts are calculated by dividing the net income/(loss) attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding each year as adjusted for the impact on the convertible redeemable preference shares (i.e. stock option plan).

(u) Reserve for Staff Retirement Indemnities: Staff retirement obligations are calculated at the present value of the future retirement benefits deemed to have accrued, based on the employees earning retirement benefit rights steadily throughout the working period. The reserve for retirement obligations is calculated on the basis of financial and actuarial assumptions and are determined using the projected unit credit actuarial valuation method (Project United Credit Method). Actuarial gains and losses are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised.

(v) Operating Segment Reporting: The Group mainly provides telecommunication services and pay-tv services and operates in Greece. The two segments of telecommunication and pay-tv services are presented as a single reportable segment. This resulted from business changes undertaken to integrate the steering of these services. The previous reported telecommunication and pay-tv operating segments are combined into a single reportable segment because they are steered and monitored together and they relate to one single service provided by the Group to its customers. The Group's new business approach is to review the telecommunication and pay-tv services as a whole considering that the whole business philosophy is focusing on triple play services.

(w) Dividend Distribution: Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the General Meeting of the Company's Shareholders.

(x) Share Capital: Share capital represents the value of the Parent company's shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognised as the "Share premium" in shareholders' equity. Incremental external costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds.

(y) Convertible bond loan: Convertible bond loan is separated into liability and equity component based on the terms of the contract. On issuance of the convertible bond loan, the fair value of the liability component is determined by discounting the contractual cash flows with a fair interest market rate for a similar liability. This amount is classified as a financial liability and is subsequently measured at amortised cost (net of the corresponding transaction costs) until it is extinguished on conversion or redemption. The remainder from the total proceeds is recognised and included in other reserves in equity. Transaction costs corresponding to the amount recorded in equity are deducted from equity, net of associated income tax. The carrying amount of the amount recorded in equity is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bond loan, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Changes in accounting policies and disclosures

A) Standards issued and effective for the current year

The accounting policies adopted in the preparation of the annual financial statements, are consistent with those followed for the year ended December 31, 2017, except for the adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2018.

- **IFRS 9 Financial Instruments: Classification and Measurement**

The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The Management's assessment of the impact of IFRS 9 is presented in Note 5.

- **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements applies to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures are required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates.

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**

The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

The Management's assessment of the impact of IFRS 15 is presented in Note 5.

- **IAS 40: Transfers to Investment Property (Amendments)**

The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The Group / Company Management estimates that the changes will not have a material effect on its financial statements.

- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration**

The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The Group / Company Management estimates that the changes will not have a material effect on its financial statements.

- **The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle, which is a collection of amendments to IFRSs.**

  - IAS 28 Investments in Associates and Joint Ventures: The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

B) Standards issued but not yet effective and not early adopted

- **IFRS 16: Leases**

  The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The evaluation of the Company / Group management regarding the effect of the new standard on its financial statements is as follows:

  During the transition, liabilities arising from existing operating leases will be discounted using the relevant incremental borrowing rate. The present value that will arise will be recognized as a lease liability. The rights to use the assets will be measured in the same way as the lease obligation, adjusted by the amount of any prepaid or accrued rentals.

  The Group will apply the new standard using the cumulative effect method, according to which comparative figures for the previous year will not be restated. In addition, the Group will choose to use the exemptions proposed by the Standard for leases which expire within 12 months from the date of commencement and the lease agreements for which the underlying asset is of low value. The Group will use these exemptions both at the date of adoption of the new standard as well as from that point onwards. Also, the Group is expected to also use the practical expedient based on which it will use hindsight to determine which renewal and termination options to include or exclude. Finally, for leases that were previously classified as finance lessees, the Group will recognise (a) an ROU asset measured initially at the previous carrying amount of the finance lease asset under IAS 17; and (b) a lease liability measured at the previous carrying amount of the lease liability under IAS 17. Subsequently, the Group will account for the ROU asset and lease liability in accordance with the general requirements of IFRS 16. The finance leases of the group based on IAS 17 are disclosed in notes 33 and 34.

  More specifically, the current estimation of the effect of the new standard on the Group's financial statements is as follows:
  - When adopting IFRS 16, liabilities arising from operating lease contracts will be presented as right of use assets and lease liabilities in the statement of financial position. Therefore, an increase in the total of assets and liabilities in the first application is expected due to the capitalization of the qualifying assets and the recognition of the respective liabilities. The Company and the Group expect the assets and liabilities in the statement of financial position to increase by an amount ranging from €1 million to €1.5 million.
  - With regard to the effect of the standard on the statement of comprehensive income, the operating cost of the lease will be replaced by depreciation cost for the qualifying assets and interest expense on the liabilities arising. The impact is not expected to be material.

- As for the effect of the standard on the cash flow statement, it is noted that the lease repayment is expected to reduce net cash flows from financing activities as it will no longer be included in net cash flows from operating activities.

Finally, it is noted that future Group and Company operating leases are disclosed in note 42 of the annual financial statements as at 31 December 2018. The Group and Company financial lease liabilities are disclosed in notes 33 and 34 of the annual financial statements of 31 December 2018

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale** or Contribution of Assets between an Investor and its Associate or Joint Venture
  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Group / Company Management estimates that the changes will not have a material effect on its financial statements.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**
  The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. The Group / Company Management estimates that the changes will not have a material effect on its financial statements.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**
  The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU. The Group / Company Management estimates that the changes will not have a material effect on its financial statements.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**
  The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the accounting treatment of income taxes.. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU. The Group / Company Management estimates that the changes will not have a material effect on its financial statements.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU. The Group / Company Management estimates that the changes will not have a material effect on its financial statements.

- **Conceptual Framework in IFRS standards**
  The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the

standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. It's objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

- **IFRS 3: Business Combinations (Amendments)**
  The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU. The Group / Company Management estimates that the changes will not have a material effect on its financial statements.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU. The Group / Company Management estimates that the changes will not have a material effect on its financial statements.

- **The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle, which is a collection of amendments to IFRSs.** The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. The Group / Company Management estimates that the changes will not have a material effect on its financial statements.

  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangements: The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
  - IAS 12 Income Taxes: The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
  - IAS 23 Borrowing Costs: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

5.CHANGES IN ACCOUNTING POLICIES

The Group applied IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial Instruments" at the required date (1 January 2018) by recognizing the cumulative effect of adoption at the date of initial application (i.e. 1st January 2018) for all contracts not yet completed as of that date (thus, not restating comparative information).

As required by IAS 8, the nature and impact of those changes are described below:

IFRS 15 "Revenue from contracts with customers"
IFRS 15 supersedes IAS 11 "Construction Contracts", IAS 18 "Revenue" and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers, as follows:
1.Identification of the contract(s) with a customer.
2.Identification of the performance obligations in the contract.

3.Determination of the transaction price.
4.Allocation of the transaction price to the performance obligations in the contract.
5.Recognition of revenue when (or as) the entity satisfies a performance obligation.

The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It also contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services, determining the timing of the transfer of control – at a point in time or over time. The Group applies the standard for the year 2018 and in respect to prior periods, has recognized the cumulative effect of applying IFRS 15 to all contracts that had not yet been completed at January 1, 2018, as an adjustment to the opening balance of equity on January 1, 2018 (the modified retrospective approach). Contracts completed before the date of initial application (i.e. January 1, 2018) have not been revised.

More specifically, the impact on the financial statements of the Group is as follows:
In the case of contracts for provision of services, there is no material change to the timing and method of revenue recognition as well as to the presentation / classification of revenue in the Group financial statements. This is because in accordance with IFRS 15 revenues are still recognized over time by using a method similar with the previous accounting standards (IAS 18 and IAS 11) given that the customer simultaneously receives and consumes the benefits provided by the Group.

In the case of multiple element contracts, which means contracts for provision of internet services together with subsidized equipment, the equipment was treated as a separate performance obligation with revenue recognition as the date of delivery of equipment (thus, at a point in time). Consequently, IFRS 15 leads to higher revenue being allocated to the sold equipment (which occurs at delivery) and is recognized earlier (as an “Asset from Contract with customers”) compared to the services revenue which is recognized over the customer’s contract duration (contractual commitment).

However, given that a great part of the subsidized equipment (especially those relating to a Pay TV service) is considered as directly correlated and dependent on the provision of service, thus it is not considered as a separate performance obligation, the total effect from the earlier recognition of revenue from the sold equipment at Group level is not material. Furthermore, it is noted that IFRS 15 neither impacts on the total revenue recognized by the Group over the customers’ contractual commitment nor on the respective cash flows. Also, the new standard has not effect on the customer contracts that have no commitment.

It is further noted that the Group uses the portfolio approach to combine contracts for the purposes of revenue recognition, rather than to account for each contract separately.

Contracts cost
From the adoption of IFRS 15 there is no material change to the nature and amount of subscriber acquisition costs which were previously recognized based on the principles of IAS 38 and which now fall within the framework of IFRS 15 as “costs to acquire a contract” and “costs to fulfill a contract”. However, as part of the transition to IFRS 15, the Group has changed the amortization policy of the subscriber acquisition costs (for telecommunication and pay tv services) from the contractual duration to the average customer life. The average customer life has been estimated from 3 to 5 years (depending on the type of the service). It is noted that the Group and the Company are still treating the said costs as amortization in the statement of profit and loss.

Presentation
<u>Assets from Contracts with Customers</u>
Based on IFRS 15 when an entity performs by transferring goods or services before the customer pays consideration or before payment is due, the entity shall present the contract as an Asset from contract with customer, excluding any amounts presented as a receivable.
Assets from contracts with Customers for the Group mainly relate to:
- the recognition of revenue in the case of multiple – element arrangements with subsidized products and,
- the accrued income from service contracts which have not been invoiced at each reporting date and which either concern flat service charges or call minutes (invoicing is based on each customer’s billing cycle)

As far as the accrued income from contracts of provision of services is concerned, IFRS 15 implementation has not impacted the method and timing of revenue recognition in the Group financial statements. However, the Group reclassified the accrued income from the financial statement line "Trade accounts receivable" and "Other non-current assets" to "Assets from Contracts with Customers".

Liabilities from Contracts with Customers

Based on IFRS 15 when the customer pays consideration of the entity has a right to an amount of consideration that is unconditional (i.e. is due), before the entity transfers a good or service to the customer, the Group presents the contract as a liability from contract with customers when the payment is made or the payment is due (whichever is earlier).
For the Group, Liabilities from Contracts with Customers mainly relate to:

- flat fees billed to the customer in advance based on each customer's billing cycle
- contract liabilities arising from Indefeasible Rights of Use (IRUs)
- contract liabilities from activation fees charged to the customer in advance, and
- deferred revenues from the sale of equipment which relates to a paytv service – those revenues are recognized during the customers' contractual commitment

With the exception of revenue from the sale of pay tv related equipment for which the revenue recognition has changed as a result of the IFRS 15 adoption, all other liabilities from contact with customers types presented above were presented under previous accounting policies in financial statement lines "Deferred income" and "Other long-term liabilities". Upon the adoption of IFRS 15, there has been no change in the method and timing of recognition of those liabilities, however, the Group reclassified those liabilities into financial statement lines "Liabilities from Contracts with Customers" either as short-term or long-term depending on whether those are expected to be settled within or over 12 months respectively.

In addition to the changes described above, upon the adoption of IFRS 15, other elements of the primary financial statements such as deferred taxes and retained earnings have been adjusted as necessary.

IFRS 9 "Financial instruments"

With regards to the financial instruments held by the Group, those are still measured under IFRS 9 based on the amortized cost method, consequently the IFRS 9 adoption has not impacted the classification and measurement of financial instruments of the assets.
With regards to the financial liabilities held by the Group, those have also not been impacted by the IFRS 9 adoption given that new IFRS 9 requirements mainly relate to those financial liabilities measured at fair value through profit & loss and the Group does not have such financial liabilities.
Furthermore, the new IFRS 9 requirements relating to hedge accounting are not applicable as the Group does not use hedge accounting.

New model of impairment recognition based on expected credit losses

The Group has applied the simplified version of IFRS 9 for the measurement of expected credit losses using a lifetime expected credit loss for all Trade receivables and Assets from Contracts with Customers. The new financial assets impairment model has mainly impacted the financial statement lines "Trade accounts receivable" and "Assets from Contracts with Customers". For the measurement of expected credit losses the Group uses a provision matrix based on ageing analysis which is based on Group's historical credit loss experience adjusted for forward looking factors specific to the debtors and the economic environment.

The following tables summarize the impact from the adoption of IFRS 15 and IFRS 9 in the Group and the Company statement of financial position as of January 1, 2018 and December 31, 2018 as well as in the Group and the Company statement of profit or loss for the year ended December 31, 2018, for each of the line items affected:

	The Company				
	Balance IAS 18 / IAS 39 31.12.2017	**IFRS 15 Adjustments**	**IFRS 15 Reclasses**	**IFRS 9 Adjustments**	**Balance IFRS 15 / IFRS 9 1.1.2018**
ASSETS					
Non-current assets					
Property, plant and equipment	57,817,965	-	-	-	57,817,965
Intangible assets	15,847,920	-	(5,141,627)	-	10,706,293
Contracts costs	-	6,892,706	5,141,627	-	12,034,333
Goodwill	512,569	-	-	-	512,569
Investments in subsidiaries	8,137,279	-	-	-	8,137,279
Other non-current assets	6,427,771	-	(5,878,067)	-	549,704
Assets from contracts with customers	-	-	5,878,067	-	5,878,067
Available for sale financial assets	248,394	-	-	-	248,394
Deferred tax assets	2,731,208	(1,987,692)	-	-	743,516
Total non-current assets	**91,723,106**	**4,905,014**	**-**	**-**	**96,628,120**
Current assets		-	-	-	-
Inventories	694,343	-	-	-	694,343
Programme and film rights	-	-	-	-	-
Trade accounts receivable	30,489,928	-	(6,968,470)	(1,244,523)	22,276,935
Assets from contracts with customers	-	1,733,686	6,968,470	(216,023)	8,486,133
Prepayments and other receivables	4,152,196	-	-	-	4,152,196
Due from related companies	101,971,352	-	-	-	101,971,352
Cash and cash equivalents	1,750,073	-	-	-	1,750,073
Restricted cash	6,993,558	-	-	-	6,993,558
Total current assets	**146,051,450**	**1,733,686**	**-**	**(1,460,546)**	**146,324,590**
TOTAL ASSETS	**237,774,556**	**6,638,700**	**-**	**(1,460,546)**	**242,952,710**
EQUITY AND LIABILITIES		-	-	-	-
Equity attributable to equity holders of the parent company		-	-	-	-
Share capital	49,144,742	-	-	-	49,144,742
Share premium	300,499,045	-	-	-	300,499,045
Other reserves	191,960,308	-	-	-	191,960,308
Accumulated deficit	(510,699,925)	4,866,417	-	(1,460,546)	(507,294,054)
Total	**30,904,170**	**4,866,417**	**-**	**(1,460,546)**	**34,310,041**
Non-controlling interests	-	-	-	-	-
Total equity	**30,904,170**	**4,866,417**	**-**	**(1,460,546)**	**34,310,041**
Non current liabilities	-	-	-	-	-
Long-term borrowings	41,071,527	-	-	-	41,071,527
Long-term transponder leases	-	-	-	-	-
Other long-term leases	254,773	-	-	-	254,773
Other long-term liabilities	7,226,183	-	(6,735,770)	-	490,413
Liabilities from contracts with customers	-	619,090	6,735,770	-	7,354,861
Reserve for staff retirement indemnities	2,494,079	-	-	-	2,494,079
Government grants	4,402,077	-	-	-	4,402,077
Deferred tax liability	-	-	-	-	-
Total non-current liabilities	**55,448,639**	**619,090**	**-**	**-**	**56,067,729**
Current liabilities		-	-	-	-
Trade accounts payable	34,760,912	-	-	-	34,760,912
Due to related companies	5,234,038	-	-	-	5,234,038
Short-term borrowings	-	-	-	-	-
Current portion of long-term borrowings	78,461,538	-	-	-	78,461,538
Liabilities from contracts with customers	-	1,153,193	11,472,978	-	12,626,170
Deferred income	11,472,978	-	(11,472,978)	-	0
Current portion of transponder leases	-	-	-	-	-
Current portion of other leases	214,819	-	-	-	214,819
Current portion of programmes and film rights obligations	13,017,921	-	-	-	13,017,921
Income tax payable	551,738	-	-	-	551,738
Accrued and other current liabilities	7,707,803	-	-	-	7,707,803
Total current liabilities	**151,421,747**	**1,153,193**	**-**	**-**	**152,574,940**
Total liabilities	**206,870,386**	**1,772,283**	**-**	**-**	**208,642,669**
TOTAL EQUITY AND LIABILITIES	**237,774,556**	**6,638,700**	**-**	**(1,460,546)**	**242,952,710**

	The Company				
	Balance IAS 18 / IAS 39 31.12.2018	IFRS 15 Adjustments	IFRS 15 Reclasses	IFRS 9 Adjustments	Balance IFRS 15 / IFRS 9 31.12.2018
ASSETS					
Non-current assets					
Property, plant and equipment	49,314,374	-	-	-	49,314,374
Intangible assets	13,186,126	-	(4,086,438)	-	9,099,688
Contracts costs	-	5,671,133	4,086,438	-	9,757,571
Goodwill	512,569	-	-	-	512,569
Investments in subsidiaries	-	-	-	-	-
Other non-current assets	5,824,918	-	(5,204,885)	-	620,033
Assets from contracts with customers	-	132,301	5,204,885	-	5,337,186
Other financial assets	248,394	-	-	-	248,394
Deferred tax assets	3,075,237	(1,280,856)	-	-	1,794,381
Total non-current assets	**72,161,618**	**4,522,578**	**-**	**-**	**76,684,196**
Current assets					
Inventories	590,445	-	-	-	590,445
Programme and film rights	-	-	-	-	-
Trade accounts receivable	32,700,178	-	(11,584,581)	(1,125,576)	19,990,021
Assets from contracts with customers	-	904,886	11,584,581	(363,480)	12,125,987
Prepayments and other receivables	2,987,356	-	-	-	2,987,356
Due from related companies	2,516,987	-	-	-	2,516,987
Cash and cash equivalents	901,423	-	-	-	901,423
Restricted cash	5,404,813	-	-	-	5,404,813
Total current assets	**45,101,202**	**904,886**	**-**	**(1,489,056)**	**44,517,032**
TOTAL ASSETS	**117,262,820**	**5,427,464**	**-**	**(1,489,056)**	**121,201,228**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	49,156,253	-	-	-	49,156,253
Share premium	300,499,045	-	-	-	300,499,045
Other reserves	192,094,093	-	-	-	192,094,093
Accumulated deficit	(620,808,045)	3,611,387	-	(1,489,056)	(618,685,714)
Total	**(79,058,654)**	**3,611,387**	**-**	**(1,489,056)**	**(76,936,323)**
Non-controlling interests	-	-	-	-	-
Total equity	**(79,058,654)**	**3,611,387**	**-**	**(1,489,056)**	**(76,936,323)**
Non current liabilities					
Long-term borrowings	42,977,769	-	-	-	42,977,769
Long-term transponder leases	-	-	-	-	-
Other long-term leases	36,709	-	-	-	36,709
Other long-term liabilities	6,331,756	-	(5,968,162)	-	363,594
Liabilities from contracts with customers	-	673,459	5,968,162	-	6,641,620
Reserve for staff retirement indemnities	2,443,546	-	-	-	2,443,546
Government grants	3,465,270	-	-	-	3,465,270
Deferred tax liability	-	-	-	-	-
Total non-current liabilities	**55,255,050**	**673,459**	**-**	**-**	**55,928,509**
Current liabilities					
Trade accounts payable	29,386,824	-	-	-	29,386,824
Due to related companies	1,534,172	-	-	-	1,534,172
Short-term borrowings	38,400	-	-	-	38,400
Current portion of long-term borrowings	78,461,538	-	-	-	78,461,538
Liabilities from contracts with customers	-	1,142,619	11,175,358	-	12,317,977
Deferred income	11,175,358	-	(11,175,358)	-	-
Current portion of transponder leases	-	-	-	-	-
Current portion of other leases	218,063	-	-	-	218,063
Current portion of programmes and film rights obligations	4,115,507	-	-	-	4,115,507
Income tax payable	942,762	-	-	-	942,762
Accrued and other current liabilities	15,193,800	-	-	-	15,193,800
Total current liabilities	**141,066,424**	**1,142,619**	**-**	**-**	**142,209,043**
Total liabilities	**196,321,474**	**1,816,077**	**-**	**-**	**198,137,551**
TOTAL EQUITY AND LIABILITIES	**117,262,820**	**5,427,464**	**-**	**(1,489,056)**	**121,201,228**

	The Company			
	Balance IFRS 15 / IFRS 9	**Adjustments**	**Reclasses**	**Balance IAS 18 / IAS 39**
	01.01-31.12.2018			**01.01-31.12.2018**
Revenue from contracts with customers	157,004,775	(740,293)	-	157,745,068
Other income	1,794,415	-	-	1,794,415
Telecommunications costs	(78,522,741)	-	-	(78,522,741)
Royalties and licenses	(3,060)	-	-	(3,060)
Cost of sales of inventory and consumables	(1,258,973)	(243,099)	-	(1,015,874)
Advertising and promotion costs	(1,050,771)	-	-	(1,050,771)
Payroll and related costs	(19,487,567)	-	-	(19,487,567)
Sundry expenses	(33,381,079)	(28,510)	-	(33,352,569)
Impairment of investments in subsidiaries	(3,822,530)	-	-	(3,822,530)
Impairment of amounts due from related parties	(100,117,628)	-	-	(100,117,628)
Depreciation and amortisation	(27,533,912)	(978,474)	-	(26,555,438)
Financial income	73,395	-	-	73,395
Financial expenses	(5,083,910)	-	-	(5,083,910)
Loss before income taxes	**(111,389,586)**	**(1,990,376)**	**-**	**(109,399,210)**
Income taxes	(87,242)	706,835	-	(794,077)
Loss after taxes	**(111,476,828)**	**(1,283,541)**	**-**	**(110,193,287)**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods				
Remeasurement gains/(losses) on defined benefit plans	113,552	-	-	113,552
Income tax effect	(28,388)	-	-	(28,388)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	**85,164**	**-**	**-**	**85,164**
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**-**	**-**	**-**	**-**
Total comprehensive income/(loss)	**(111,391,664)**	**(1,283,541)**	**-**	**(110,108,123)**

	The Group				
	Balance IAS 18 / IAS 39 31.12.2017	IFRS 15 Adjustments	IFRS 15 Reclasses	IFRS 9 Adjustments	Balance IFRS 15 / IFRS 9 1.1.2018
ASSETS					
Non-current assets					
Property, plant and equipment	97,895,793	-	-	-	97,895,793
Intangible assets	96,071,870	-	(9,885,625)	-	86,186,245
Contracts costs	-	26,490,771	9,885,625	-	36,376,397
Goodwill	83,168,812	-	-	-	83,168,812
Investments in subsidiaries	-	-	-	-	-
Other non-current assets	8,655,911	-	(5,878,067)	-	2,777,844
Assets from contracts with customers	-	-	5,878,067	-	5,878,067
Other financial assets	374,600	-	-	-	374,600
Deferred tax assets	10,039,539	(1,987,692)	-	-	8,051,847
Total non-current assets	**296,206,525**	**24,503,080**	**-**	**-**	**320,709,605**
Current assets		-	-	-	-
Inventories	2,972,653	-	-	-	2,972,653
Programme and film rights	37,609,921	-	-	-	37,609,921
Trade accounts receivable	51,961,784	-	(7,485,797)	(2,093,387)	42,382,600
Assets from contracts with customers	-	1,884,010	7,485,797	(236,716)	9,133,092
Prepayments and other receivables	6,434,390	-	-	-	6,434,390
Due from related companies	902,605	-	-	-	902,605
Cash and cash equivalents	2,603,540	-	-	-	2,603,540
Restricted cash	6,996,217	-	-	-	6,996,217
Total current assets	**109,481,110**	**1,884,010**	**-**	**(2,330,103)**	**109,035,018**
TOTAL ASSETS	**405,687,635**	**26,387,090**	**-**	**(2,330,103)**	**429,744,622**
EQUITY AND LIABILITIES		-	-	-	-
Equity attributable to equity holders of the parent company		-	-	-	-
Share capital	49,144,742	-	-	-	49,144,742
Share premium	300,499,045	-	-	-	300,499,045
Other reserves	192,145,413	-	-	-	192,145,413
Accumulated deficit	(730,781,218)	23,592,479	-	(2,329,981)	(709,518,720)
Total	**(188,992,018)**	**23,592,479**	**-**	**(2,329,981)**	**(167,729,520)**
Non-controlling interests	(2,928,377)	2,744	-	(122)	(2,925,755)
Total equity	**(191,920,395)**	**23,595,223**	**-**	**(2,330,103)**	**(170,655,275)**
Non current liabilities	-	-	-	-	-
Long-term borrowings	41,071,527	-	-	-	41,071,527
Long-term transponder leases	41,092,076	-	-	-	41,092,076
Other long-term leases	254,773	-	-	-	254,773
Other long-term liabilities	26,843,153	-	(6,735,770)	-	20,107,383
Liabilities from contracts with customers	-	973,810	6,735,770	-	7,709,580
Reserve for staff retirement indemnities	4,423,878	-	-	-	4,423,878
Government grants	4,402,077	-	-	-	4,402,077
Deferred tax liability	20,158,222	-	-	-	20,158,222
Total non-current liabilities	**138,245,706**	**973,810**	**-**	**-**	**139,219,516**
Current liabilities		-	-	-	-
Trade accounts payable	96,099,702	-	-	-	96,099,702
Due to related companies	1,399,724	-	-	-	1,399,724
Short-term borrowings	1,198,566	-	-	-	1,198,566
Current portion of long-term borrowings	255,000,000	-	-	-	255,000,000
Liabilities from contracts with customers	-	1,818,057	23,078,262	-	24,896,319
Deferred income	23,078,262	-	(23,078,262)	-	-
Current portion of transponder leases	11,727,821	-	-	-	11,727,821
Current portion of other leases	214,819	-	-	-	214,819
Current portion of programmes and film rights obligations	44,544,597	-	-	-	44,544,597
Income tax payable	1,738,338	-	-	-	1,738,338
Accrued and other current liabilities	24,360,495	-	-	-	24,360,495
Total current liabilities	**459,362,324**	**1,818,057**	**-**	**-**	**461,180,381**
Total liabilities	**597,608,030**	**2,791,867**	**-**	**-**	**600,399,897**
TOTAL EQUITY AND LIABILITIES	**405,687,635**	**26,387,090**	**-**	**(2,330,103)**	**429,744,622**

	The Group				
	Balance IAS 18 / IAS 39 31.12.2018	IFRS 15 Adjustments	IFRS 15 Reclasses	IFRS 9 Adjustments	Balance IFRS 15 / IFRS 9 31.12.2018
ASSETS					
Non-current assets					
Property, plant and equipment	78,989,988	-	-	-	78,989,988
Intangible assets	77,468,398	-	(7,016,123)	-	70,452,275
Contracts costs	-	24,691,270	7,016,123	-	31,707,393
Goodwill	83,144,217	-	-	-	83,144,217
Investments in subsidiaries	-	-	-	-	-
Other non-current assets	8,260,193	-	(5,204,885)	-	3,055,308
Assets from contracts with customers	-	132,301	5,204,885	-	5,337,186
Other financial assets	339,389	-	-	-	339,389
Deferred tax assets	10,351,203	(1,280,856)	-	-	9,070,347
Total non-current assets	**258,553,388**	**23,542,715**	**-**	**-**	**282,096,103**
Current assets		-	-	-	-
Inventories	2,416,858	-	-	-	2,416,858
Programme and film rights	32,658,897	-	-	-	32,658,897
Trade accounts receivable	50,011,628	-	(11,852,205)	(1,844,540)	36,314,883
Assets from contracts with customers	-	986,519	11,852,205	(372,187)	12,466,537
Prepayments and other receivables	4,296,373	-	-	-	4,296,373
Due from related companies	1,320,863	-	-	-	1,320,863
Cash and cash equivalents	1,532,249	-	-	-	1,532,249
Restricted cash	5,477,465	-	-	-	5,477,465
Total current assets	**97,714,333**	**986,519**	**-**	**(2,216,727)**	**96,484,125**
TOTAL ASSETS	**356,267,721**	**24,529,234**	**-**	**(2,216,727)**	**378,580,227**
EQUITY AND LIABILITIES		-	-	-	-
Equity attributable to equity holders of the parent company		-	-	-	-
Share capital	49,156,253	-	-	-	49,156,253
Share premium	300,499,045	-	-	-	300,499,045
Other reserves	192,292,303	-	-	-	192,292,303
Accumulated deficit	(761,167,130)	21,721,467	-	(2,216,625)	(741,662,288)
Total	**(219,219,529)**	**21,721,467**	**-**	**(2,216,625)**	**(199,714,687)**
Non-controlling interests	(43,290)	2,667	-	(102)	(40,725)
Total equity	**(219,262,819)**	**21,724,134**	**-**	**(2,216,727)**	**(199,755,412)**
Non current liabilities	-	-	-	-	-
Long-term borrowings	42,977,769	-	-	-	42,977,769
Long-term transponder leases	28,480,602	-	-	-	28,480,602
Other long-term leases	36,709	-	-	-	36,709
Other long-term liabilities	21,991,240	-	(5,968,162)	-	16,023,078
Liabilities from contracts with customers	-	864,134	5,968,162	-	6,832,296
Reserve for staff retirement indemnities	4,050,255	-	-	-	4,050,255
Government grants	3,465,270	-	-	-	3,465,270
Deferred tax liability	15,047,111	-	-	-	15,047,111
Total non-current liabilities	**116,048,956**	**864,134**	**-**	**-**	**116,913,090**
Current liabilities		-	-	-	-
Trade accounts payable	92,634,389	-	-	-	92,634,389
Due to related companies	1,471,481	-	-	-	1,471,481
Short-term borrowings	1,296,200	-	-	-	1,296,200
Current portion of long-term borrowings	255,000,000	-	-	-	255,000,000
Liabilities from contracts with customers	-	1,940,965	20,327,870	-	22,268,835
Deferred income	20,327,870	-	(20,327,870)	-	-
Current portion of transponder leases	12,611,474	-	-	-	12,611,474
Current portion of other leases	218,063	-	-	-	218,063
Current portion of programmes and film rights obligations	36,763,965	-	-	-	36,763,965
Income tax payable	1,963,971	-	-	-	1,963,971
Accrued and other current liabilities	37,194,171	-	-	-	37,194,171
Total current liabilities	**459,481,584**	**1,940,965**	**-**	**-**	**461,422,549**
Total liabilities	**575,530,540**	**2,805,099**	**-**	**-**	**578,335,639**
TOTAL EQUITY AND LIABILITIES	**356,267,721**	**24,529,234**	**-**	**(2,216,727)**	**378,580,227**

	The Group			
	Balance IFRS 15 / IFRS 9	Adjustments	Reclasses	Balance IAS 18 / IAS 39
	01.01-31.12.2018			01.01-31.12.2018
Revenue from contracts with customers	281,594,563	(778,422)	-	282,372,985
Other income	3,648,948	-	-	3,648,948
Telecommunications costs	(78,573,469)	-	-	(78,573,469)
Royalties and licenses	(69,822,058)	-	-	(69,822,058)
Cost of sales of inventory and consumables	(1,827,271)	449,301	-	(2,276,572)
Advertising and promotion costs	(5,112,602)	-	-	(5,112,602)
Payroll and related costs	(33,843,390)	-	-	(33,843,390)
Sundry expenses	(52,781,747)	113,375	-	(52,895,122)
Impairment of investments in subsidiaries	-	-	-	-
Depreciation and amortisation	(61,499,989)	(2,248,802)	-	(59,251,187)
Financial income	15,850	-	-	15,850
Financial expenses	(16,041,804)	-	-	(16,041,804)
Loss before income taxes	**(34,242,969)**	**(2,464,548)**	**-**	**(31,778,421)**
Income taxes	4,833,184	706,835	-	4,126,349
Loss after taxes	**(29,409,785)**	**(1,757,713)**	**-**	**(27,652,072)**
Loss for the year attributable to:		-	-	-
Shareholders of the Parent Company	(32,294,181)	(1,757,656)	-	(30,525,839)
Non-controlling interests	2,884,397	(57)	-	2,884,455
	(29,409,784)	**(1,757,713)**	**-**	**(27,641,384)**
Other comprehensive income				
Remeasurement gains/(losses) on defined benefit plans	200,257	-	-	200,257
Income tax effect	(35,872)	-	-	(35,872)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	**164,385**	**-**	**-**	**164,385**
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**-**	**-**	**-**	**-**
Other comprehensive income is attributable to :				
Shareholders of the Parent Company	163,758	-	-	163,758
Non-controlling interests	627	-	-	627
	164,385	**-**	**-**	**164,385**
Total comprehensive income/(loss) for the year	**(29,245,400)**	**(1,757,713)**	**-**	**(27,487,687)**
Total comprehensive income is attributable to :				
Shareholders of the Parent Company	(32,130,423)	(1,757,656)	-	(30,362,081)
Non-controlling interests	2,885,024	(57)	-	2,885,082
	(29,245,399)	**(1,757,713)**	**-**	**(27,476,999)**

6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements, in accordance with IFRS, requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as, revenue and expenses as of the reporting period. Actual results may differ from those estimates.

The Group makes accounting estimates, assumptions and judgments in order to apply the most appropriate accounting principles in relation to the future development of events and transactions. These estimates, assumptions and judgments are periodically reviewed to reflect current data and reflect current risks and are based on management's previous experience of the level / volume of related transactions or events. The key estimates and judgments that refer to data the evolution of which could affect the items of the financial statements in the next 12 months are as follows:

(a) Allowance for expected credit losses from accounts receivables and assets from contracts with customers assets: The Group and the Company apply the simplified approach of IFRS 9 for the calculation of expected credit losses according to which the provision for impairment is always measured at the amount of the expected lifetime loss for the receivables from customers and assets from contracts with customers. Group Management periodically reassesses the adequacy of the provision for bad debts from retail customers, taking into account current credit policy, historical statistics as well as prospects for customer collections. For corporate clients such as advertisers, telecommunications providers, etc., the provision for expected credit losses is evaluated for each separately taking into account historical trends as well as data from the Legal Service of the Group resulting from the processing of historical data and recent developments in the affairs it manages (Notes 25 and 26).

(b) Provision for income taxes: According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits (Note 14). The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.

(c) Depreciation: The Group's assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programs (Note 16 and 17).

(d) Impairment of property, plant and equipment: Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

(e) Impairment of goodwill and intangible assets: The Group tests annually (or more frequently if there are indications of impairment) whether goodwill has been impaired and reviews the events or the circumstances that make probable the existence of impairment, as for example a significant unfavourable change in the corporate atmosphere or a decision for sale or disposal of a unit or an operating segment (Note 19). In case of existence of such impairment indicators, the recoverable amount (which the higher of Fair Value and Value in Use) of the respective cash generating unit to which goodwill has been allocated, needs to be estimated. The Value in Use is assessed by using the discounted projected cash flows. The application of this methodology is based on the actual operating results, future business plans, as well as market data (statistic and non) which are estimated by the Group's management. If the recoverable amount is lower than the carrying amount, then the carrying amount needs to be reduced to the recoverable amount and such difference is charged to the statement of comprehensive income.

Moreover, other recognisable intangible assets of infinite useful lives not subject to amortisation are tested annually for any impairment by comparing the carrying amount with the recoverable amount. Intangible assets of finite useful lives are tested for impairment whenever an impairment indicator exists.

(f) Deferred tax assets: Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits together with future tax planning strategies.

(g) Capitalization of subscriber acquisition costs**:** The Group capitalizes the cost of acquiring subscribers who are bound by a contract (usually lasting for 24 months). The management's judgment is required to conclude that the costs meet the criteria of IFRS 15 (the incremental costs of acquiring a contract relate to those costs which would not have been borne by the Group if it had not acquired the contract). Additionally, due to the application of IFRS 15 and the consequent change in the amortization of such costs from the period of the contractual commitment to the average estimated subscription period of the subscribers, the management's judgment is also required with regard to the subscriber's useful life.

(h) Finance vs. Operating Leases**:** Lease contracts are classified as operating or finance leases at the inception of the lease. Once determined, the classification is not subsequently changed. To a certain extent, the classification depends on estimates based on conditions in the contract. In the judgement, a "substance over form" approach is used. The value of assets held under finance leases recognised in the statement of financial position is based on the discounted value of the contractual lease payments. No conditional lease payments are included and the value can therefore be determined with relative certainty.

(i) Going Concern**:** The Group's management performs its going concern assessment based on the Group's approved business plans covering a five year period (Note 7). The estimates and associated assumptions used for the preparation of such business plans are based on historical experience and various other factors that are believed to be reasonable under the circumstances; and are reviewed on an ongoing basis considering the current and expected future market conditions. The preparation of the business plans also involves long-term assumptions for major economic factors and there is a high degree of reasoned judgment involved in establishing these assumptions. Should these judgements be proven through the passage of time to be incorrect management's assessment of going concern may be affected.

7. GOING CONCERN

As of December 31, 2018 and till the date of approval of the annual financial statements, the Company and the Group have not repaid the total of the matured loan instalments of € 78 million and € 255 million respectively from the existing ordinary bond loans issued by the Company and Forthnet Media S.A. (hereinafter the "Existing OBL"). In relation to the aforementioned bond loans, there are accrued and unpaid interest amounting to €3.2 million and €12.1 million respectively.

As of December 31.12.2018, as a result of the classification of the total matured loans instalments as current as well as the cash needs for working capital, the total current liabilities of the Group and the Company exceed the total current assets by approximately €364.9 million and €97.7 million respectively.

It is noted that in regard to the Existing OBLs and the related liabilities arising thereon, the following actions have been taken:

1. After negotiating with the lending banks, the Group reached agreement on the key refinancing terms for the Existing OBLs. More specifically, on 15.6.2016 the lending banks sent to the Company the detailed key refinancing terms (hereinafter the "Refinancing") which the Company's Board of Directors approved on 21.6.2016. Under the agreement on key terms which was reached, there will be refinancing of:

(i) Forthnet's existing loan obligations by issuing a new ordinary bond loan for € 78,461,538 secured with collateral in rem, arranged by National Bank of Greece, Piraeus Bank, Alpha Bank and Attica Bank, following a binding proposal they made on 15.6.2016. That bond loan will be for 8 years with a floating interest rate, and will be issued with a guarantee from the subsidiary Forthnet Media S.A. (hereinafter "FM") and

(ii) FM's existing loan obligations by issuing a new ordinary bond loan for € 176,538,462 with collateral in rams, arranged by National Bank of Greece, Piraeus Bank and Alpha Bank, following a binding proposal they made on 15.6.2016. That bond loan will be for 8 years, with a floating interest rate and will be issued with a guarantee from the Company.

Those ordinary bond loans are to be issued and subscribed by the arranging banks under normal terms and conditions, plus Forthnet's obligation to repay € 21,538,462 and FM's obligation to repay € 48,461,538, or € 70 million in total, to pay off part of the existing loan obligations which amounts to € 325 million.

2. Following approval by the Board of Directors on 21.6.2016, relying on authorisation given to it by the Company's Ordinary General Meeting of Shareholders on 28.6.2011, the Company issued a convertible bond loan for up to € 99,087,466.50 with a pre-emptive right for existing shareholders in accordance with Article 3a of Codified Law 2190/1920 which was in effect, Law 3156/2003 and the other provisions of the applicable legislation (hereinafter the "CBL"). The Company raised through the CBL a total of € 70,124,680 and confirmed its partial coverage. That meant that the minimum sum of € 70 million, which was a key condition for refinancing, had been raised and that amount was paid over to the lending banks. Consequently, the key commitment the Company had assumed towards the lending banks to refinance the Existing OBLs was met.

3. Having fulfilled the key obligation to pay € 70 million, since July 2017, the Group and the lending banks have exchanged drafts of the refinancing agreement which are under further processing so as to be finalized and this way complete the refinancing of the Existing OBLs.

4. During the 4th conversion period which ended on 30.10.2017, conversion rights were exercised by the lending banks for 53,668,147 convertible bonds of the Company into shares. Said conversion rights were exercised separately from each of the following bond holders: Piraeus Bank, Attica Bank, National Bank of Greece and Alpha Bank. Following the exercise of those conversion rights the lending banks have acquired the following shareholdings in the Company's ordinary share capital: Alpha Bank (7.69%), National Bank of Greece (11.01%), Piraeus Bank (13.69%), Attika Bank (0.42%).

5. On 1.11.2017 the lending banks informed the Company that they have authorized Nomura International plc. to formally launch a process of inviting potential investors to submit offers in regard to their exposure (including shares and convertible bonds) to Forthnet S.A. and its subsidiary undertakings. This procedure is ongoing.

6. During the 9th conversion period which ended on 30.01.2019, conversion rights were exercised by the lending banks for 8,723,237 convertible bonds of the Company into shares. Said conversion rights were exercised separately from each of the following bondholders. Following the exercise of those conversion rights the lending banks have the following shareholdings in the Company's ordinary share capital: Alpha Bank (8.48%), National Bank of Greece (12.14%), Piraeus Bank (15.11%), Attika Bank (0.46%).

Group Management estimates that based on current circumstances and provided that the Refinancing of the existing OBLs is successfully completed, the working capital cash needs is for the next 12 months from the signing of these annual financial statements will amount to approximately € 31.5 million for working capital needs and €19.7 million for repayment of financing. Management will pursue to cover above cash needs through further Group's cost reduction, extension of suppliers credit terms, new sort term loans, capital increase and/or any interested third party investors.

If the above intended Management actions are not implemented or proved to be insufficient due to the instability and uncertainty which prevail in Greece and internationally as well as the implementation uncertainty of the above actions (especially those which don't exclusively depend on the management of the Group) with the result that the working capital cash needs of the Group are not covered, then the Group results, operations and prospects could be negatively affected.

Moreover, due to the current adverse and fluid economic situation in Greece, the Company and Group's operations are exposed to certain risks that could potentially have negative impacts on their activities. These are set out below:

- The economic crisis that started in 2009 may adversely affect both the Company and Group's ability to raise capital, either through borrowing or through a share capital increase, and its borrowing costs.
- The uncertainty which springs from the Greek fiscal crisis could possibly have a negative impact on the Company and Group's business activity, operating results and financial situation to an extent which cannot be determined at this present time.
- Changes in consumer behaviour due to the recession, the implementation of austerity policies by the Greek government, the imposition of subscriber television levies and fixed telephony and internet levies, as well as rising unemployment could affect demand for the Company and Group's services, negatively impacting on their activities, financial situation, results and prospects.

In order to make sure that use of the 'going concern' assumption is suitable in the context of these developments in the Greek economy, Management examined a wide range of factors associated with the current and expected customer base, profitability and cash flows. Moreover, it took into account the repayment of € 70 million which fulfils a key requirement for completing the refinancing of the Group's loan obligations under the Existing OBL, the ability for attracting new potential investors through the above mentioned procedure initiated by Nomura International plc as well as the above mentioned intended Management actions to cover the working capital cash needs for the next 12 months. In light of the above, the annual separate and consolidated financial statements for the Company and Group have been prepared on a going concern basis. Consequently, the attached financial statements do not include adjustments relating to the recoverability and classification of assets, the amounts and classification of liabilities or other adjustments which would have been required if the Company and Group were not in a position to continue as a going concern.

However, the potential failure to complete the process for the refinancing of the Existing OBLs, the uncertainty about the adequacy and effectiveness of the intended Management actions to cover the Company's and Group's working capital cash needs, the uncertainty with respect to decisions required to be taken at a General Meeting of shareholders in conjunction with requirements related to Article 119 of Law 4548/2018, the uncertainty with respect to the Nomura or other alternative process that will lead to the entrance of a new investor in the Company's capital, as well as the uncertainty associated with the current economic situation in Greece, indicate the existence of a material uncertainty which may raise significant doubt about the ability of the Company and the Group to continue as a going concern.

8. GROUP SEGMENT INFORMATION

The Group's business approach is to review the telecommunication and pay-tv services as a whole considering that the whole business philosophy is focusing on triple play services. As the financial information obtained by the chief operating decision makers ("CODM") for this single segment is in line with the IFRS figures, no separate disclosures are made in this note. Note 9 discloses the Company's and the Group's revenue from contracts with customers by category / type of service provided as well as revenue from contract with customers per customer category (retail / business).

9. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contract with customers are analysed as follows:

	The Group		The Company	
	01.01-31.12.2018	**01.01-31.12.2017**	**01.01-31.12.2018**	**01.01-31.12.2017**
Revenue from contracts with customers				
Direct Retail Services	**224,242,262**	**236,214,596**	**107,923,870**	**114,750,636**
Bundled services (2play)	43,688,120	43,023,337	43,688,120	43,023,337
Bundled services (3play)	50,366,815	54,511,400	49,793,035	54,511,400
Telephony	3,266,883	4,740,142	3,275,745	4,753,278
ADSL	8,020,063	9,355,450	8,326,919	9,472,636
Pay-TV Revenues	116,060,215	121,594,282	(114)	-
Other	2,840,166	2,989,985	2,840,166	2,989,985
Indirect Retail Services	**1,015,884**	**1,411,686**	**1,015,884**	**1,411,686**
Telephony	104,755	210,600	104,755	210,600
ADSL	751,261	973,455	751,261	973,455
Other	159,868	227,631	159,868	227,631
Direct Business Services	**33,515,202**	**35,763,538**	**33,515,202**	**35,763,538**
E-business	**1,033,065**	**1,113,073**	**1,033,065**	**1,113,073**
Pay-TV Advertising Revenue	**9,317,002**	**8,173,230**	**-**	**-**
Forth CRS services	**4,272,480**	**4,205,925**	**-**	**-**
Equipment sales	**1,419,633**	**1,522,913**	**1,420,152**	**374,797**

Other services	**6,779,035**	**5,632,266**	**12,096,602**	**13,024,470**
Total	**281,594,563**	**294,037,227**	**157,004,775**	**166,438,200**

Revenue recognised over time	280,174,930	-	155,584,623	-
Revenue recongised at a point in time	1,419,633	-	1,420,152	-
	281,594,563	**-**	**157,004,775**	**-**

10. PAYROLL AND RELATED COSTS

Payroll and related costs are analysed as follows:

	The Group		The Company	
	01.01-31.12.2018	**01.01-31.12.2017**	**01.01-31.12.2018**	**01.01-31.12.2017**
Wages & Salaries	27,319,629	29,505,817	15,865,363	16,893,272
Social Security (Note 36)	6,519,892	7,064,983	3,869,203	4,162,843
Staff retirement indemnities (Note 36)	1,271,049	1,693,104	777,734	1,204,730
Other staff costs	609,562	716,076	390,191	456,211
Total	**35,720,132**	**38,979,980**	**20,902,491**	**22,717,056**
Less: Amounts capitalised for internally generated assets	(1,876,742)	(3,198,438)	(1,414,924)	(2,785,304)
Total	**33,843,390**	**35,781,542**	**19,487,567**	**19,931,752**

11. SUNDRY EXPENSES

Sundry expenses are analysed as follows:

	The Group		The Company	
	01.01-31.12.2018	**01.01-31.12.2017**	**01.01-31.12.2018**	**01.01-31.12.2017**
Third party fees and services	17,234,415	18,734,355	10,653,215	12,067,531
Taxes and duties	946,870	967,455	838,110	860,630
Impairment of investments / other financial assets	-	17,405	-	-
Other sundry expenses	9,962,677	7,033,213	4,807,375	3,557,679
Allowance for doubtful accounts receivable (Note 25, 27)	6,869,028	6,637,175	4,566,498	3,471,229
Repairs and maintenance	4,937,609	4,865,010	3,014,796	2,875,657
Rentals	2,295,429	2,290,247	848,551	836,983
Commissions	8,026,369	7,687,891	6,846,821	6,303,752
Office functional costs	2,509,350	2,598,074	1,805,713	1,873,157
Total	**52,781,747**	**50,830,825**	**33,381,079**	**31,846,618**

Third party fees and services mainly include consultant fees, television program producers' fees, fees to collection companies, and commissions to trading partners.
Other sundry expenses mainly include transportation costs, insurance premiums, postage, travel expenses, consumables and hosting costs.

12. DEPRECIATION AND AMORTISATION

Depreciation and amortisation are analysed as follows:

	The Group		The Company	
	01.01-31.12.2018	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2017
Buildings	937,256	1,318,955	917,694	1,291,360
Network & transmission Equipment	21,357,125	23,059,996	11,412,552	13,401,867
Motor vehicles	1,997	3,218	1,710	2,903
Furniture & other equipment	877,761	1,089,514	328,917	401,296
Depreciation on property, plant & equipment (Note 16)	**23,174,139**	**25,471,683**	**12,660,873**	**15,097,426**
Software, contracts cost, and other intangibles	26,059,183	22,855,863	14,873,039	12,596,303
Amortisation of intangibles recognized at acquisition	12,266,667	12,266,667	-	-
Amortisation on intangible assets (Note 17)	**38,325,850**	**35,122,530**	**14,873,039**	**12,596,303**
Total	**61,499,989**	**60,594,213**	**27,533,912**	**27,693,729**

13. FINANCIAL INCOME / (EXPENSES)

Financial income/ (expenses) are analysed as follows:

	The Group		The Company	
	01.01-31.12.2018	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2017
Long-term borrowings (Note 32)	(8,548,576)	(8,755,389)	(2,984,580)	(3,233,434)
Short-term borrowings (Note 32)	(59,422)	(86,343)	-	-
Finance leases (Note 33, 34)	(3,477,749)	(4,249,572)	(5,570)	(8,767)
Bond loan cost	-	(112,041)	-	-
Other financial costs (Note 38)	(3,956,057)	(3,148,415)	(2,093,760)	(2,762,144)
Total financial expenses	**(16,041,804)**	**(16,351,760)**	**(5,083,910)**	**(6,004,345)**
Interest earned on cash at banks (Note 28)	15,850	23,357	15,488	23,000
Other	-	2,682,750	57,907	44,041
Total financial income	**15,850**	**2,706,107**	**73,395**	**67,041**
Net finance result	**(16,025,954)**	**(13,645,653)**	**(5,010,515)**	**(5,937,304)**

It is noted that the interest on the long-term borrowing of the Group and the Company for the year 2018 also includes the interest of the convertible bond loan amounting to € 547.504 (2017: € 669.685).

Other financial costs of the Company and the Group mainly concern interest on debt settlements (tax obligations), financial interest arising from the treatment of part of the convertible bond as a financial liability (Note 32), financial interest on the basis of the effective interest rate method (Note 38) as well as exchange differences.

Other financial income of the Company and the Group during the previous year mainly concerned foreign exchange differences.

14. INCOME TAXES

Income taxes reflected in the accompanying statements of comprehensive income are analysed as follows:

Current income taxes	The Group		The Company	
	01.01-31.12.2018	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2017
Current income taxes	1,344,206	1,143,419	926,556	696,715
Income taxes from prior years	103,385	7,318	109,617	(12,524)
Deferred income taxes	(6,280,775)	(4,154,863)	(948,931)	295,725
Income taxes debit/ (credit)reported in the statement of profit and loss	**(4,833,184)**	**(3,004,126)**	**87,242**	**979,916**
Other comprehensive income				
Net (loss)/gain on actuarial gains and losses	35,872	(29,446)	28,388	(21,127)
Total income taxes debit/ (credit)reflected in the statements of income	**(4,797,312)**	**(3,033,572)**	**115,630**	**958,789**

The corporate income tax rate in Greece is set at 29% for 2018, but on the basis of Article 23 of Law 4579/2018, it will gradually decrease by 1% per annum as follows:
• 28% for the year 2019
• 27% for the year 2020
• 26% for the year 2021
• 25% for the year 2022 onwards

The reconciliation of income taxes reflected in statements of comprehensive income and the amount of income taxes determined by the application of the Greek statutory tax rate to pre-tax income is summarized as follows:

	The Group		The Company	
	01.01-31.12.2018	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2017
Loss before tax	**(34,242,969)**	**(32,852,457)**	**(111,389,586)**	**(33,954,140)**
Income tax calculated at the nominal applicable tax rate (2016: 29%, 2015: 29%)	(9,930,461)	(9,527,213)	(32,302,980)	(9,846,701)
Tax effect of non tax deductible expenses and non-taxable income	3,225,090	5,143,200	554,987	1,382,713
Tax losses as well as other temporary differences for which no deferred tax asset was recognised	1,463,344	1,403,872	907,601	-
Tax effect of different tax rates applicable to other countries where the Group operates	58,638	(23,986)	-	-
Income taxes from prior years	103,385	-	109,617	(12,524)
Tax effect of change in tax rates	246,820	-	675,371	-
Tax effect of non-tax deductible impairment of investments in subsidiaries	-	-	1,108,534	9,456,428
Tax effect of non-tax deductible allowance of expected credit losses on intercompany receivable	-	-	29,034,112	-
Income tax reported in the statements of comprehensive income	**(4,833,184)**	**(3,004,126)**	**87,242**	**979,916**

Greek tax laws and regulations are subject to interpretations by the tax authorities. Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five fiscal years following the fiscal year to which they relate.

Tax Compliance certificate

From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to have their statutory financial statements audited must in addition obtain an “Annual Tax Certificate” as provided for by par. 5, article 82 of L.2238/1994. This “Annual Tax Certificate” must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This "Tax Compliance Report" must be submitted to the Ministry of Finance, within ten days from the date of approval of the financial statements by the General Meeting of Shareholders.

Unaudited Tax Years

The Company has not been audited by the tax authorities for the fiscal years 2007 to 2010. A relevant audit order has been issued for these uses by the Tax Directorate General. It is noted that in August 2018, the tax audit of the Company for the fiscal years 2012 and 2013 was completed by the Tax Directorate General without any findings. Forthnet's subsidiaries have not been audited by the tax authorities as follows:

Subsidiaries	Unaudited tax years/periods	
	From	To
Forthnet Media A.E.	01-01-10	31-12-10
Forth-Crs A.E.	01-01-10	31-12-10
NetMed A.E.	01-01-10	31-12-10
Syned A.E. (absorbed by Forthnet Media)	01-01-10	30-09-10
Multichoice Hellas A.E.E. (absorbed by Forthnet Media)	01-01-10	31-12-10

A tax audit has been issued by the Tax Administration General Directorate for the fiscal year 2012 of Multichoice Hellas, absorbed by Forthnet Media.

For the Greek companies of the Group, the tax compliance certificate for the financial year 2017 was concluded by its auditors, based on the provisions of article 65[a] of L.4174/2013. No significant additional tax liabilities arose, in excess of those provided for and disclosed in the financial statements.

For the Greek companies of the Group, the tax compliance certificate for the financial year 2018 is still in progress based on the provisions of article 65[a] of L.4174/2013. No significant additional tax liabilities are expected to arose, in excess of those provided for and disclosed in the financial statements.

For the subsidiaries which are located abroad there is no mandatory tax audit. Tax audits are performed exceptionally, if deemed necessary by the tax authorities based on specific criteria. The tax liabilities of the companies remain open to be audited by the tax authorities for a certain period of time according to each country’s applicable tax legislation.

Deferred Taxes

Deferred income tax is calculated using the liability method for all temporary differences that arise between the tax base of assets and liabilities and their value for financial reporting purposes. Deferred tax assets and liabilities are valued at the tax rates that are expected to apply to the period in which the asset will be incurred or the liability will be settled and are based on the tax rates that have been enacted or effectively enacted by the date of the financial position.

For the purpose of showing in the statement of financial position, deferred tax is analyzed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Deferred income tax asset	9,070,347	10,039,539	1,794,381	2,731,208

Deferred income tax liability	(15,047,111)	(20,158,222)	-	-
Deferred income tax asset/(liability)	**(5,976,764)**	**(10,118,683)**	**1,794,381**	**2,731,208**

The movement of the deferred tax asset/ (liability) is as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Beginning balance	**(10,118,683)**	**(15,419,320)**	**2,731,209**	**1,889,479**
Cummulative impact from adoption of IFRS 15	(1,987,692)	-	(1,987,692)	-
Disposal of subsidiary	(245,613)	-	-	-
Income taxes [(debit)/ credit]	6,280,775	4,154,863	948,931	(295,725)
Income taxes [(debit)/ credit] through OCI	(35,872)	29,446	(28,388)	21,127
Income taxes [(debit)/ credit] through equity	130,320	1,116,328	130,320	1,116,328
Ending balance	**(5,976,764)**	**(10,118,683)**	**1,794,381**	**2,731,209**

The movement in deferred tax assets/liabilities as at December 31, 2018 and 2017 is as follows:

The Group	01.01.2018	(Debit)/ Credit to the statement of comprehensive income	Cummulative impact from IFRS 15	(Debit)/ Credit to the statement of changes in shareholders' equity	31.12.2018
Deferred income tax asset					
Accrued expenses & deferred expenses	7,042,737	121,720	-	-	7,164,457
Staff retirement indemnities	877,751	(167,791)	-	-	709,960
Liabilities from contracts with customers	6,399	359,691	513,962	-	880,052
Property, plant and equipment/intangible assets & contracts cost	4,339,451	(761,631)	(1,998,885)	-	1,578,935
Other	1,314,525	814,600	(502,769)	-	1,626,356
Total	**13,580,863**	**366,588**	**(1,987,692)**	**-**	**11,959,760**
Deferred income tax liability					
Property, plant and equipment/intangible assets	(20,158,238)	5,111,112	-	-	(15,047,126)
Convertible bond loan (Note 32)	(3,541,308)	521,589	-	130,320	(2,889,399)
Other	-	-	-	-	-
Total	**(23,699,546)**	**5,632,701**	**-**	**130,320**	**(17,936,525)**
Net deferred income tax asset/(liability)	**(10,118,683)**	**5,999,289**	**(1,987,692)**	**130,320**	**(5,976,765)**

The Group	01.01.2017	(Debit)/ Credit to the statement of comprehensive income	(Debit)/ Credit to the statement of changes in shareholders' equity	31.12.2017
Deferred income tax asset				
Accrued expenses	5,997,006	1,045,731	-	7,042,737

Staff retirement indemnities	815,094	62,657	-	877,751
Deferred revenues	20,864	(14,465)	-	6,399
Property, plant and equipment/intangible assets	5,567,753	(1,228,302)	-	4,339,451
Tax losses carried forward	79,272	(79,272)	-	-
Other	920,455	394,070	-	1,314,525
Total	**13,400,444**	**180,419**	**-**	**13,580,863**
Deferred income tax liability				
Property, plant and equipment/intangible assets	(23,715,569)	3,557,331	-	(20,158,238)
Convertible bond loan (Note 32)	(5,259,249)	601,613	1,116,328	(3,541,308)
Other	155,054	(155,054)	-	-
Total	**(28,819,764)**	**4,003,890**	**1,116,328**	**(23,699,546)**
Net deferred income tax asset/(liability)	**(15,419,320)**	**4,184,309**	**1,116,328**	**(10,118,683)**

The movement of the deferred tax asset/ (liability) of the Company is as follows:

The Company	**01.01.2018**	**(Debit)/ Credit to the statement of comprehensive income**	**Cummulative impact from IFRS 15**	**(Debit)/ Credit to the statement of changes in shareholders' equity**	**31.12.2018**
Deferred income tax asset					
Accrued expenses & deferred expenses	768,300	(97,738)	-	-	670,563
Staff retirement indemnities	723,281	(112,397)	-	-	610,884
Liabilities from contracts with customers	6,401	359,692	513,962	-	880,056
Property, plant and equipment/intangible assets & contracts cost	4,240,615	(663,093)	(1,998,885)	-	1,578,637
Other	533,919	905,007	(502,769)	-	936,157
Total	**6,272,516**	**391,471**	**(1,987,692)**	**-**	**4,676,296**
Deferred income tax liability					
Convertible bond loan (Note 32)	(3,541,308)	529,073	-	130,320	(2,881,915)
Other	0	-	-	-	-
Total	**(3,541,308)**	**529,073**	**-**	**130,320**	**(2,881,915)**
Net deferred income tax asset/(liability)	**2,731,208**	**920,544**	**(1,987,692)**	**130,320**	**1,794,381**

The Company	**01.01.2017**	**(Debit)/ Credit to the statement of comprehensive income**	**(Debit)/ Credit to the statement of changes in shareholders' equity**	**31.12.2017**
Deferred income tax asset				
Accrued expenses	505,684	262,616	-	768,300
Staff retirement indemnities	697,728	25,553	-	723,281
Deferred revenues	20,866	(14,465)	-	6,401
Property, plant and equipment/intangible assets	5,560,649	(1,320,034)	-	4,240,615
Other	551,699	(17,780)	-	533,919
Total	**7,336,626**	**(1,064,110)**	**-**	**6,272,516**
Deferred income tax liability				
Convertible bond loan (Note 32)	(5,259,249)	601,613	1,116,328	(3,541,308)

Other	(187,898)	187,898	-	-
Total	**(5,447,147)**	**789,511**	**1,116,328**	**(3,541,308)**
Net deferred income tax asset/(liability)	**1,889,479**	**(274,599)**	**1,116,328**	**2,731,208**

The cumulative amount of tax losses for which no deferred tax was recognised as of December 31, 2018 amounted to € 73 million (December 31, 2017: € 91 million). The Group has not recognized a deferred tax asset on tax losses as management determines on the basis of its business plans on 31 December 2018 the criteria for recognition were not met, as unused tax losses are unlikely to be offset against future tax profits.

15. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the year, adjusted for the impact on the convertible redeemable preference shares (e.g. stock option plan).
The following reflects the net loss and share data used in the basic and diluted earnings per share computations as at December 31, 2018 and 2017:

	The Group	
	01.01-31.12.2018	01.01-31.12.2017 (*)
Net loss attributable to the shareholders of the parent	**(32,294,181)**	**(29,569,720)**
Total weighted average number of ordinary shares	163,846,751	117,127,905
Loss per share (basic)	**(0.1971)**	**(0.2525)**
Adjusted weighted average number of ordinary shares for diluted loss per share	163,846,751	117,127,905
	(0.1971)	**(0.2525)**

For the year ended December 31, 2018 and given that the Company incurred losses, the effect of including potential common shares in the denomination of diluted per share calculations would have been anti-diluted and therefore, basic and diluted losses per share are the same.

16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is analysed as follows:

The Group	Land	Buildings	Telecommu-nication Equipment	Transmission Equipment	Transpo-rtation Means	Furniture & Other Equipment	Total
COST							
At January 1, 2017	**1,672,789**	**59,237,199**	**323,181,088**	**131,689,370**	**362,716**	**32,470,648**	**548,613,810**
Additions	-	607,088	4,011,007	-	-	674,785	5,292,880
Disposals/ Write-offs	-	(806)	-	-	(59,776)	(113,184)	(173,766)
Transfers	-	-	1,431	-	-	-	1,431
At December 31, 2017	**1,672,789**	**59,843,481**	**327,193,526**	**131,689,370**	**302,940**	**33,032,249**	**553,734,355**
Additions	-	541,317	3,462,775	107,753	-	470,235	4,582,080
Disposals/ Write-offs	-	(3,812)	-	(53,911)	(34,221)	(92,853)	(184,797)
Disposal of subsidiary	-	(139,672)	(32,440)	-	(9,864)	(2,792,391)	(2,974,367)
Transfers	-	-	2,800	-	-	-	2,800
At December 31, 2018	**1,672,789**	**60,241,314**	**330,626,661**	**131,743,212**	**258,855**	**30,617,240**	**555,160,071**
DEPRECIATION							
At January 1, 2017	**-**	**(51,381,807)**	**(261,618,042)**	**(84,608,962)**	**(335,152)**	**(32,470,647)**	**(430,414,610)**

Depreciation expense	-	(1,318,955)	(13,628,343)	(9,431,652)	(3,218)	(1,089,514)	(25,471,682)
Disposals/ Write-offs	-	806	-	-	46,091	833	47,730
Transfers	-	-	(2,856,033)	-	-	2,856,033	-
Other	-	-	-	-	-	-	-
At December 31, 2017	**-**	**(52,699,956)**	**(278,102,418)**	**(94,040,614)**	**(292,279)**	**(30,703,295)**	**(455,838,562)**
Depreciation expense	-	(937,256)	(11,926,515)	(9,430,610)	(1,997)	(877,761)	(23,174,139)
Disposals/ Write-offs	-	-	-	-	34,313	48,920	83,233
Disposal of subsidiary	-	132,392	32,440	-	9,864	2,584,689	2,759,385
At December 31, 2018	**-**	**(53,504,820)**	**(289,996,493)**	**(103,471,224)**	**(250,099)**	**(28,947,447)**	**(476,170,083)**
NET BOOK VALUE							
At January 1, 2017	**1,672,789**	**7,855,392**	**61,563,046**	**47,080,408**	**27,564**	**1**	**118,199,200**
At December 31, 2017	**1,672,789**	**7,143,525**	**49,091,108**	**37,648,756**	**10,661**	**2,328,954**	**97,895,793**
At December 31, 2018	**1,672,789**	**6,736,494**	**40,630,168**	**28,271,988**	**8,756**	**1,669,793**	**78,989,988**

Property, plant and equipment of the Company is analysed as follows:

The Company	Land	Buildings	Telecommu-nication Equipment	Transpo-rtation Means	Furniture & Other Equipment	Total
COST						
At January 1, 2017	**1,672,789**	**57,163,125**	**297,944,119**	**56,004**	**17,380,991**	**374,217,028**
Additions	-	607,088	3,991,007	-	146,718	4,744,813
Disposals/ Write-offs	-	(806)	(1,519,178)	(6,382)	(742)	(1,527,109)
At December 31, 2017	**1,672,789**	**57,769,407**	**300,417,379**	**49,622**	**17,526,967**	**377,436,163**
Additions	-	523,314	3,462,775	-	168,481	4,154,570
Disposals/ Write-offs	-	-	(136,980)	(9,020)	(49,012)	(195,012)
Transfers	-	-	2,800	-	-	2,800
At December 31, 2018	**1,672,789**	**58,292,721**	**303,745,974**	**40,602**	**17,646,436**	**381,398,521**
DEPRECIATION						
At January 1, 2016	-	(49,423,128)	(239,237,137)	(39,569)	(16,422,123)	(305,121,957)
Depreciation expense	-	(1,291,360)	(13,401,867)	(2,903)	(401,296)	(15,097,426)
Disposals/ Write-offs	-	806	598,255	1,711	414	601,186
At December 31, 2017	**-**	**(50,713,682)**	**(252,040,749)**	**(40,761)**	**(16,823,005)**	**(319,618,197)**
Depreciation expense	-	(917,694)	(11,412,552)	(1,710)	(328,918)	(12,660,874)
Disposals/ Write-offs	-	-	136,892	9,020	49,012	194,924
At December 31, 2018	**-**	**(51,631,376)**	**(263,316,409)**	**(33,451)**	**(17,102,911)**	**(332,084,147)**
NET BOOK VALUE						
At January 1, 2017	**1,672,789**	**7,739,997**	**58,706,982**	**16,435**	**958,868**	**69,095,071**
At December 31, 2017	**1,672,789**	**7,055,725**	**48,376,630**	**8,861**	**703,962**	**57,817,966**
At December 31, 2018	**1,672,789**	**6,661,345**	**40,429,565**	**7,151**	**543,525**	**49,314,374**

It is noted that there are encumbrances on the privately owned building of the Company in Kallithea, Attica, in favor of Alpha Bank, National Bank of Greece SA and Piraeus Bank SA with a total value of € 6.5 million as collateral to the Banks claims' from corresponding open account credit agreements with Forthnet.

The title of the capitalised leased assets has been retained by the lessor. The net book value of the Company's capitalised leased assets at December 31, 2018 and 2017, is analysed as follows:

	The Group		The Company	
	01.01-31.12.2018	**01.01-31.12.2017**	**01.01-31.12.2018**	**01.01-31.12.2017**
Land	535,200	535,200	535,200	535,200

Buildings	1,480,361	1,533,707	1,480,361	1,533,707
Telecommunication and other equipment (transponders)	28,188,132	37,625,347	-	41,171
	30,203,693	**39,694,254**	**2,015,561**	**2,110,078**

17. INTANGIBLE ASSETS

Intangible assets of the Group are analysed as follows:

The Group	Software	Licenses & Other Intangibles	Intangibles Under Development	Total
COST				
At January 1, 2017	**56,900,318**	**482,500,657**	**2,027,293**	**541,428,268**
Additions	3,072,297	20,107,071	2,170,318	25,349,686
Disposals/ Write-offs	(106,278)	(5)	9,084	(97,199)
Transfers	918,304	-	(919,735)	(1,431)
At December 31, 2017	**60,784,641**	**502,607,723**	**3,286,960**	**566,679,324**
	-	-	-	-
Reclassification due to the adoption of IFRS 15 (Note 18)	-	(143,086,865)	-	(143,086,865)
Additions	3,176,831	-	1,144,228	4,321,059
Disposals/ Write-offs	-	(117,521,831)	-	(117,521,831)
Transfers	2,276,240	39,060	(2,318,100)	(2,800)
Disposal of subsidiary	(7,049,861)	-	(932,237)	(7,982,098)
At December 31, 2018	**59,187,851**	**242,038,087**	**1,180,851**	**302,406,789**
AMORTIZATION	-	-	-	-
At January 1, 2017	**(45,206,673)**	**(390,278,251)**	**-**	**(435,484,924)**
Amortization expense	(5,354,246)	(17,501,617)	-	(22,855,863)
Amortization of intangible assets recognized from the acquisition in the past	-	(12,266,667)	-	(12,266,667)
Disposals/ Write-offs	50,692	(50,692)	-	-
At December 31, 2017	**(50,510,227)**	**(420,097,227)**	**-**	**(470,607,454)**
	-	-	-	-
Reclassification due to the adoption of IFRS 15 (Note 18)	**-**	133,201,240	**-**	**133,201,240**
Cummulative impact from adoption of IFRS 15	**-**	-	**-**	-
Amortization expense	(6,195,603)	(182,663)	-	(6,378,266)
Amortization of intangible assets recognized from the acquisition in the past	-	(12,266,667)	-	(12,266,667)
Disposals/ Write-offs	-	117,521,831	-	117,521,831
Disposal of subsidiary	6,574,802	-	-	6,574,802
Transfers	1,174,066	(1,174,066)	-	-
At December 31, 2018	**(48,956,962)**	**(182,997,552)**	**-**	**(231,954,514)**
NET BOOK VALUE				
At January 1, 2017	**11,693,645**	**92,222,406**	**2,027,293**	**105,943,344**
At December 31, 2017	**10,274,414**	**82,510,496**	**3,286,960**	**96,071,870**
At December 31, 2018	**10,230,889**	**59,040,535**	**1,180,851**	**70,452,275**

Intangible assets of the Company are analysed as follows:

The Company	Software	Licenses & Other Intangibles	Intangibles Under Development	Total
COST				
At January 1, 2017	**37.654.612**	**144.469.262**	**1.027.272**	**183.151.146**
Additions	2.427.288	10.121.833	2.024.541	14.573.662
Disposals/ Write-offs	(50.692)	-	(170.286)	(220.978)
Transfers	791.230	-	(792.661)	(1.431)
At December 31, 2017	**40.822.438**	**154.591.095**	**2.088.866**	**197.502.399**
	-	-	-	-
Reclassification due to the adoption of IFRS 15 (Note 18)	-	(55.919.855)	-	(55.919.855)
Additions	2.048.654	-	1.010.980	3.059.634
Disposals/ Write-offs	-	(90.132.890)	-	(90.132.890)
Transfers and reclassifications	2.056.507	39.060	(2.098.369)	(2.802)
At December 31, 2018	**44.927.599**	**8.577.410**	**1.001.477**	**54.506.486**
AMORTIZATION	-	-	-	-
At January 1, 2017	(29.279.689)	(139.829.179)	-	(169.108.868)
Amortization expense	(4.118.597)	(8.477.706)	-	(12.596.303)
Disposals/ Write-offs	50.692	-	-	50.692
At December 31, 2017	**(33.347.594)**	**(148.306.885)**	**-**	**(181.654.479)**
	-	-	-	-
Reclassification due to the adoption of IFRS 15 (Note 18)	-	50.778.228	-	**50.778.228**
Amortization expense	(4.663.437)	-	-	(4.663.437)
Disposals/ Write-offs	-	90.132.890	-	90.132.890
Transfers and reclassifications	1.174.066	(1.174.066)	-	-
At December 31, 2018	**(36.836.965)**	**(8.569.833)**	**-**	**(45.406.798)**
NET BOOK VALUE				
At January 1, 2017	**8.374.923**	**4.640.083**	**1.027.272**	**14.042.278**
At December 31, 2017	**7.474.844**	**6.284.210**	**2.088.866**	**15.847.920**
At December 31, 2018	**8.090.634**	**7.577**	**1.001.477**	**9.099.688**

It is noted that for the year ended 31 December 2017, included in the category "Licenses and other intangibles", were also subscribers' acquisition costs costs which in the current fiscal year are included separately in the Statement of Financial Position as "Contract costs" (Note 5 and Note 18).

The write-offs presented in the table above, for both the Group and the Company, relate to the customers' subscription cost which was fully amortized on 31/12/2017. The write-off did not have an impact on the financial statements except for the presentation of cost and accumulated amortization in the above movement table of intangible assets.

In the current year 2018, total investment in intangible assets mainly concern the upgrading and development of software programs.

18. CONTRACTS COST

Contracts cost of the Company the Group are analysed as follows:

	The Group	The Company
COST		
At January 1, 2018	-	-
Reclassification due to the adoption of IFRS 15 (Note 17)	143.086.865	55.919.855
Additions	15.011.915	7.932.838
At December 31, 2018	**158.098.780**	**63.852.692**
AMORTIZATION	-	-
At January 1, 2018	-	-
Reclassification due to the adoption of IFRS 15 (Note 17)	(133.201.240)	(50.778.228)
Cummulative impact from adoption of IFRS 15 (Note 5)	26.490.771	6.892.706
Amortization expense	(19.680.918)	(10.209.600)
At December 31, 2018	**(126.391.386)**	**(54.095.122)**
NET BOOK VALUE	-	-
At December 31, 2017 (Note 17)	**9.885.625**	**5.141.627**
At January 1st 2018	**36.376.396**	**12.034.333**
At December 31, 2018	**31.707.393**	**9.757.571**

Contract costs mainly include commission fees to commercial partners, installation fees, activation costs and equipment costs. More information on the Group's accounting policy on Contract Costs is provided in Note 5 and Note 3.

It is noted that as at 31 December 2017 the Group's contract costs, which were included in the caption "Intangible Assets" of the Statement of Financial Position, amounted to € 20.1 million and the Company's to € 10.1 million respectively, while the net book value of the Group amounted to € 9.9 million and of the Company to € 5.1 million (Note 17). From 1.1.2018 these costs fall under the provisions of IFRS 15 as "Incremental costs incurred in obtaining a contract" and "Costs incurred to fulfil a contract" and are presented separately in the statement of financial position.

19. GOODWILL

Goodwill in the accompanying consolidated financial statements arose from various business combinations as follows:

	The Group		The Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
MBA S.A.	512,569	512,569	512,569	512,569
Forth CRS S.A.	-	24,595	-	-
NetMed N.V. Group and Intervision B.V.	285,965,176	285,965,176	-	-
	286,477,745	**286,502,340**	**512,569**	**512,569**
Impairment of Goodwill -NetMed N.V. Group and Intervision B.V.	(203,333,528)	(203,333,528)	-	-
Total	**83,144,217**	**83,168,812**	**512,569**	**512,569**

At December 31, 2018 the Group performed its annual impairment test at Group level (a single cash generating unit "CGU").

The recoverable amount of the single operating segment (the Group) has been determined based on a value in use calculation using cash flow projections from financial forecasts covering an eight-year period, which were based on the, approved by the management, five-year financial budget. The use of more than a five-year period is justified by the fact that the expected normalization of the market and the consumption will take place throughout the eight year period. The pre-tax discount rate applied to cash flow projections is 11.06% (December 31, 2017: 10.49%), while growth rate to perpetuity used (beyond the eight-year period) was 1.5% (December 31, 2017: 2.00%) after taking into account the long-term prospective of the Group.

The carrying value of the net assets of the Group was lower than its recoverable amount and consequently no impairment loss was recognized as at December 31, 2018 (December 31, 2017: no impairment loss was recognized).

Sensitivity to changes in assumptions
A sensitivity analysis was performed on positive or negative discount rate changes of 0.25%, on positive or negative growth rate to perpetuity changes of 0.25%. The carrying amount of the Group appears much lower than the estimated Value in Use and therefore, it is not probable that impairment issue will arise in case of a reasonably possible change in the above assumptions.

The calculation of value-in-use is most sensitive to the following assumptions:

Margin of earnings before interest, taxes, depreciation and amortization (EBITDA margin)
Margin of earnings before interest, taxes, depreciation and amortization based on past performance and estimations during the four year forecast period and is increased during the forecast period to incorporate future changes in the Group's profitability as anticipated by the management.

Discount rates
Discount rates reflect the current market assessment of the risks specific to the Group. The discount rate was estimated based on the average percentage of a weighted average cost of capital for the industry. This rate was further adjusted to reflect the market assessment of any risk specific to the cash generating unit for which future estimates of cash-flows have not been adjusted.

Market share during the forecast period
These assumptions are important as, except for using industry data for growth rates, management assesses how its market share, relative to its competitors, might change over the forecast period. Management expects pressure in the market it operates, while it expects to maintain its position relative to its competitors by making special offers of combined services in order to attract new customers.

Growth rate to perpetuity
Rates are based on long-term prospective of the Group and in line with industry expectations.

20. INVESTMENTS IN SUBSIDIARIES

Forthnet's subsidiaries which are included in the accompanying consolidated financial statements are as follows:

Entity	Country of Incorporation	Consolidation Method	Participation Relationship	Equity Interest %		Carrying Value	
				31.12.2018	31.12.2017	31.12.2018	31.12.2017
Forth-CRS S.A.	Greece	Full	Direct	0.00%	99.31%	-	4,314,749
Forthnet Media S.A.	Greece	Full	Direct	99.99%	98.97%	-	3,822,530
						-	**8,137,279**

The other affiliate companies that are included in the consolidated financial statements are listed in Note 1 "General information about the Company and its investments".

As at December 31, 2018 the management concluded that there have been changes in the assumptions used in the last impairment testing carried out as at June 30, 2018, mainly due to the updated financial projections of the Group. Therefore, the Company proceeded with the impairment testing of its investment in the subsidiary Forthnet Media S.A.

Company's carrying value of investment in the subsidiary was higher than the recoverable amount by € 3.822.530 and consequently an impairment loss was recognized by that amount as at December 31, 2018. The impairment was mainly due to the update of the financial budgets based on the actual results of the year 2018.

Therefore, the total impairment loss for the year 2018 amounts to € 3,822,530 (31 December 2017: impairment of € 32,608,371).

For the purpose of the impairment review on the investments balance, the recoverable amount has been determined based on a value in use calculation using cash flow projections from financial forecasts covering an eight-year period, which were based on the, approved by the management, five-year financial forecasts. The use of more than a five-year period is justified by the fact that the expected normalization of the market and the consumption will take place throughout the eight year period. The cash-generating unit (CGU) that is used for the purpose of the impairment review on the investment, is the Group and it's the same with the one used to perform the impairment test of goodwill and therefore the disclosed assumption used are the same as the disclosed below assumptions for the impairment test of goodwill.

A sensitivity analysis was performed on positive or negative discount rate changes of 0.25% and on positive or negative growth rate to perpetuity changes of 0.25%. An increase of 0.25% in the discount rate (keeping the growth rate stable) or a decrease in growth rate by 0.25% (keeping the discount rate stable) would not result to an additional impairment loss given that the investment value in the subsidiary is NIL as of 31/12/2018 and also the net assets of the Company have turned negative due to the impairment loss on the intercompany receivable, which impacted 2018 results and the net assets correspondingly (refer to Note 41).

Further information on key assumptions used is provided in Note 19.

DISPOSAL OF SUBSIDIARY

In September 2018, the parent company Forthnet completed the transfer of the majority shareholding (99.31%) of its subsidiary under the name "FORTH-CRS SOCIETE ANONYME FOR RESEARCH, DEVELOPMENT AND TRADE OF SOFTWARE OF ELECTRONIC MANAGEMENT OF DISTRIBUTION AND RELATED SERVICE PROVISIONS TOURISM MATTER »(« FORTH-CRS SA ") and the sub-subsidiary FORTHcrs Italia SRL, in the context of implementation of the 09/20/2018 Share Purchase Agreement with the Swiss company« LINXX HOLDING SA ». FORTH-CRS's activities accounted for 1.5% of the consolidated turnover of the Company. The sale of FORTH-CRS is part of Forthnet's operational restructuring program and is part of the strategy for strengthening the main areas where it has competitive advantages such as pay-TV services and bundled services (Pay-TV / 3Play), and contributed to the initiatives of the Company to improve its liquidity.

The sale was completed on September 26, 2018, on which the date there was the transfer of control of that company to the buyer. The assets and liabilities of FORTH-CRS and sub-subsidiary on the transfer date and the calculation of the profit from the transfer are shown below:

	FORTH-CRS	FORTH-CRS Italia
Non-current assets		
Property, plant and equipment	214,986	-
Intangible assets	1,407,297	-
Investments in subsidiaries	10,000	-
Other non-current assets	4,050	458
Available for sale financial assets	35,212	-
Deferred tax assets	245,614	-
Current assets		
Inventories	62,578	-
Trade receivables	3,055,935	159,946
Prepayments and other receivables	287,682	335
Cash and cash equivalents	240,936	17,122
TOTAL ASSETS	**5,564,289**	**177,861**
EQUITY AND LIABILITIES		
Share capital	4,067,328	10,000
Share premium	(23,695)	-
Other reserves	107,669	-
Accumulated deficit	(1,087,314)	-51,122
Total equity	**3,063,988**	**-41,122**
Non-current Liabilities		
Reserve for staff retirement indemnities	220,613	-

Current Liabilities		
Trade accounts payable	1,025,247	108,529
Short-term borrowings	0	10,566
Income tax payable	156,427	17,587
Accrued and other current liabilities	1,098,013	82,300
Total Liabilities	**2,500,300**	**218,983**
TOTAL LIABILITIES AND EQUITY	**5,564,288**	**177,861**

	The Group	The Company
Net assets at disposal date	3,012,867	
Goodwill at disposal	24,595	
Investment value as of disposal date		4,314,749
Disposal Proceeds	4,865,000	4,865,000
Gain from disposal	**1,827,538**	**550,251**

The gain on disposal is included in the line "Other income" in the Statement of Comprehensive Income.
From the sale price € 4,790,000 was paid in cash while the remainder (€ 75,000) will be paid in future time. The net collection from the sale of the subsidiary is analyzed as follows:

Disposal proceeds	4,790,000
Cash equivalents as of disposal date	258,058
Net cash inflow from disposal	**4,531,942**

21.OTHER NON CURRENT ASSETS

Other non-current assets are analysed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017 (*)	31.12.2018	31.12.2017 (*)
Guarantees	2,068,838	2,076,528	199,272	203,942
Prepayments for optic fibre network capacity exchanges (Note 27)	-	5,878,067	-	5,878,067
Prepayments to suppliers	565,708	355,556	-	-
Other long term receivables	420,761	345,761	420,761	345,761
Total	**3,055,307**	**8,655,911**	**620,033**	**6,427,770**

22. OTHER FINANCIAL ASSETS

Other financial assets are analysed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Shares -unlisted	339,389	374,600	248,394	248,394
Total	**339,389**	**374,600**	**248,394**	**248,394**

Other financial assets consist of investments in ordinary unlisted shares and, therefore, have no fixed maturity or coupon rate.

The above shares are stated at cost less any impairment as a reliable valuation at fair value is not feasible.

23. INVENTORIES

Inventories are analysed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Merchandise	3,366,918	4,182,444	1,120,134	1,302,473
Consumables	62,578	64,591	-	-
Obsolete & slow moving provision	(1,012,638)	(1,274,382)	(529,689)	(608,130)
Total	**2,416,858**	**2,972,653**	**590,445**	**694,343**

The movement in the provision for obsolete inventories is analysed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Beginning balance	1,274,382	1,516,142	608,130	630,778
Provision for the year	-	2,255	-	7,283
Less: Utilisation	(261,744)	(244,015)	(78,441)	(29,931)
Ending balance	**1,012,638**	**1,274,382**	**529,689**	**608,130**

The provision for the year is included in cost of sales of inventory and consumables in the accompanying financial statements.

24. PROGRAMME AND FILM RIGHTS

Programme and film rights receivable are analysed as follows:

	The Group	
	31.12.2018	31.12.2017
Cost		
Sports rights	78,025,092	87,656,762
Licensed film rights	6,437,163	6,628,048
Cost of Sports and Film Rights	**84,462,255**	**94,284,810**
Amortisation		
Sports rights	(48,020,497)	(53,027,659)
Licensed film rights	(3,782,861)	(3,647,230)
Sports and Film Rights Amortisation	**(51,803,358)**	**(56,674,889)**
Net Value		
Sports rights	30,004,595	34,629,103
Licensed film rights	2,654,302	2,980,818
Sports and Film Rights, net value	**32,658,897**	**37,609,921**

It is noted that the cost of rights and licenses has been reduced in current use due to the reduction in the cost of the sporting program (due to a reduction in the Superleague contract's price) and, on the other, due to the reduction in the cost of entertainment program (due to the renegotiation of agreements renewal with suppliers).
It is clarified that the rights to sports programs and films, as well as the respective obligations towards the suppliers, are recognized at the start of the exploitation period which concerns each right to display.

25. TRADE RECEIVABLES

Trade receivables are analysed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Domestic customers	109,477,534	112,298,014	66,500,905	64,034,368
Foreign customers	1,787,839	3,038,151	802,242	1,296,932
Receivables from Greek State	1,770,379	1,748,825	1,540,349	1,518,805
Cheques and notes receivable	1,729,891	2,360,808	1,319,854	1,275,540
Unbilled revenue (Note 26)	-	7,485,797	-	6,968,470
Total	**114,765,643**	**126,931,595**	**70,163,350**	**75,094,115**
Less: Allowance for expected credit losses	(78,450,760)	(74,969,811)	(50,173,329)	(44,604,188)
Total	**36,314,883**	**51,961,784**	**19,990,021**	**30,489,927**

The movement in the allowance for expected credit losses, which is recognized in the income statement in the line "Sundry expenses" (Note 11), is analyzed as follows

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Beginning balance	**74,969,811**	**68,747,760**	**44,604,188**	**41,484,278**
Cummulative impact from adoption of IFRS 9	2,093,387	-	1,244,523	-
Provision for the period	6,642,289	6,673,111	4,388,386	3,468,809
Reclassification to related companies	(7,005)	(165,264)	(7,005)	(165,264)
Less: Write off or provision due to disposal of subsidiary (Note 20)	(2,046,248)	-	-	-
Less: Utilization	(3,201,474)	(285,796)	(56,763)	(183,635)
Ending balance	**78,450,760**	**74,969,811**	**50,173,329**	**44,604,188**

The ageing analysis of trade receivables is as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Neither past due nor impaired	27,713,315	39,810,373	15,546,235	24,558,151
Past due not impaired:				
60-90 days	1,985,168	3,208,736	1,074,089	1,383,103
90-180 days	2,458,166	3,688,204	1,150,233	1,853,088
181-365 days	1,642,085	2,898,246	1,140,819	1,959,593
>365 days	2,516,147	2,356,226	1,078,646	735,992
Ending balance	**36,314,883**	**51,961,785**	**19,990,021**	**30,489,927**

Trade receivables are non-interest bearing and are normally settled on Group and Company 30-360 days' terms.

The Company's and Group's trade accounts receivable are pledged as collateral for an amount equal to 50% of the outstanding balances of the related bond loans (Note 32).

It is noted that as of 1 January 2018, the Group applies the simplified approach of IFRS 9 and calculates lifetime expected credit losses over the life of its receivables.

At each balance sheet date, the Group records an allowance for expected credit losses using a provision matrix. The maximum exposure to credit risk on the Balance Sheet date is the book value of each class of receivables as stated below. Collaterals include mainly mortgage debentures, personal guarantees and bank guarantees.

The table below presents information on the Company's and Group's exposure to credit risk:

Group	< 30 days	31 - 60 days	61 - 90 days	91 - 360 days	> 360 days	
Expected credit losses in %	3-4%	5-8%	55-59%	75-92%	100%	TOTAL
Total trade receivables	22,220,732	7,474,884	2,355,630	8,313,974	74,400,423	114,765,643
Expected credit loss	622,099	264,368	479,498	5,140,422	71,944,372	78,450,759

Company	< 30 days	31 - 60 days	61 - 90 days	91 - 360 days	> 360 days	
Expected credit losses in %	3%	5%	55%	75-92%	100%	TOTAL
Total trade receivables	13,199,651	4,013,661	1,269,407	4,489,196	47,191,436	70,163,350
Expected credit loss	331,245	131,307	287,975	3,032,047	46,390,755	50,173,330

Finally, it is noted that in the current year, unbilled revenue is included in the caption "Assets from contracts with customers" (see note 5 and note 26).

26. CONTRACT ASSETS / LIABILITIES

Assets and liabilities from contracts with customers are analyzed as follows:

	Ο Όμιλος		Η Εταιρεία	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Assets from contracts with customers (short term)	12,466,537	-	12,125,987	-
Assets from contracts with customers (long term)	5,337,186	-	5,337,186	-
Total assets from contracts with customers	**17,803,723**	**-**	**17,463,173**	**-**
Liabilities from contracts with customers (short term)	22,268,835	-	12,317,977	-
Liabilities from contracts with customers (long term)	6,832,296	-	6,641,620	-
Total liabilities from contracts with customers	**29,101,131**	**-**	**18,959,597**	**-**

As at December 31, 2018, the un-invoiced (accrued)revenue (the nature of which is reported in Note 5) amounted to € 17,795,654 for the Group and € 17,455,104 for the Company and is included in the caption "Assets from contracts with customers" (short and long term respectively) as presented above. At 31 December 2017, the corresponding amounts for the Group and the Company amounted to € 7,485,797 and to € 6,968,470 (short-term) and were included in the caption "Trade Receivables" (Note 25) and € 5,878,067 (Company and the Group) and were included under "Other long-term receivables" (Note 21).

Revenue recognized in the current year that was included in the liabilities from contracts with customers at the beginning of the year amounts to € 25,773,603 and € 13,339,410 respectively for the Group and the Company.

The total amount of the transaction price allocated to the performance obligations that has not been (or has been partially fulfilled) at 31 December 2018 amounts to € 29,101,126 and € 18,959,597 respectively for the Group and the Company. These amounts are expected to be recognized as revenue over the next 2 fiscal years (2019 and 2020), with the exception of an amount of € 5,968,162 to be recognized in the Group's and Company's income until the year 2033.

At 31 December 2017, the amounts that were invoiced but would be recognized as income in subsequent years amounted to € 29,814,032 and € 18,208,748 for the Group and the Company, of which € 6.735.770 for the Group and the Company related to the long-term part which was included in "Other Long-Term Liabilities" (Note 35) while the short-term part was included in "Deferred Income".

It is noted that as at 31 December 2018, "Assets from contracts with customers" include an allowance for expected credit losses of € 363.480 and € 372.187 for the Group and the Company respectively (01.01.2018: € 236.716 and € 216.023). This estimate was calculated using the provision matrix indicated in Note 25 (<30 days).

27. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments and other receivables are analysed as follows:

	The Group		The Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Receivables due from the Greek State	934,426	1,253,956	33,238	362,386
Credit due from Dutch tax authorities	1,360	260,137	-	-
Prepaid expenses	2,967,217	3,129,409	1,502,919	1,492,317
Value Added Tax	242,787	4,816	237,289	-
Advances to suppliers	376,604	560,465	376,605	317,666
Other debtors	2,693,443	4,053,803	1,722,509	2,834,377
Total	**7,215,837**	**9,262,586**	**3,872,560**	**5,006,746**
Less: Allowance for doubtful accounts receivable	(2,919,464)	(2,828,196)	(885,204)	(854,550)
Total	**4,296,373**	**6,434,390**	**2,987,356**	**4,152,196**

Other debtors mainly include amounts due to the Group from trade partners and other third parties. The movement in the allowance for doubtful other receivables is analyzed as follows:

	The Group		The Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Beginning balance	**2,828,196**	**2,864,132**	**854,550**	**852,129**
Provision for the period	-		30,654	2,421
Less: Utilization	91,268	(35,936)	-	-
Ending balance	**2,919,464**	**2,828,196**	**885,204**	**854,550**

The Group's and Company's Prepaid expenses include an amount of € 673,181 (December 31, 2017: € 673,181), which was invoiced by other telco providers, for a 20-year lease of fiber optic infrastructure (with various expiration dates up to and including 17 June 2035) on the basis of the contract between them. An amount of € 5,204,885 (December 31, 2017: € 5,878,067) for a reciprocal concession for the use of fiber optic infrastructure, which relates to the invoiced amount for the period from 1 January 2019 to 17 June 2035, appears in "Assets from contracts with customers- long-term part "(31 December 2017 included in" Other long-term receivables "(Note 21)).

Accordingly, amounts that were invoiced by the Company to the other telco provider appear in the item "Liabilities from contracts with customers- short-term part" amounting to 767,608 (as of December 31, 2017, they were included in the item "Deferred income and amounted to € 767,608" "Liabilities from contracts with customers - long-term part" amounting to 5.968.162 (as at 31 December 2017 they were included in the item "Other long-term liabilities and amounted to € 6.735.770).

Amounts invoiced to other telco providers are included in note 35.

Finally, it is noted that in line "Other debtors" at 31 December 2017 there was included a claim of Euro 320,301 from LUMIERE TV PUBLIC COMPANY LIMITED and for which a similar allowance for expected credit losses was registered in the current fiscal year. It is noted that Lumiere TV Ltd, on 31 December 2018, participated in the share capital of Forthnet Media SA. by 0.014%, while there is also a contingent liability towards the same company, as described in Note 45 - C i).

28. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents are analyzed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Cash in hand	41,654	59,048	11,173	26,689
Cash at banks	1,490,442	2,544,339	890,251	1,723,384
Time deposits	153	153	-	-
Total	**1,532,249**	**2,603,540**	**901,424**	**1,750,073**
Restricted cash	5,477,465	6,996,217	5,404,812	6,993,558
Total	**7,009,714**	**9,599,757**	**6,306,236**	**8,743,631**

Bank deposits are priced at floating rates based on monthly bank rates. Interest income from sight and time deposits with banks was accounted for using the accrual method and amounted to € 15,850 and € 15,488 respectively for the Group and the Company at 31 December 2018 (31 December 2017: € 23,357 and € 23,000 for the Group and the Company respectively) and are included in line "Financial income" in the accompanying financial statements of total comprehensive income (Note 13).
Restricted cash refer to pledge agreements for the issuance of letters of guarantee in favour of third parties (Note 42).

29. SHARE CAPITAL

The share capital of the Company as at 31 December 2018 amounted to € 49,156,253 divided into 163,854,177 common registered shares of nominal value € 0.30 each (31 December 2017: € 49,144,742 divided into 163,815,807 common registered shares of nominal value € 0.30 each).

By decision of the Board of Directors dated 26 February 2018 and 18 May 2018 the Company increased its share capital by € 9,000 and € 2,511 respectively due to the conversion of a total of 38,370 convertible bonds with a nominal value of € 0.30 each with a conversion price of € 0.30 per bond, from the existing convertible bond issued by the Company with a total nominal value of € 70.124.680.

Following the above, the share capital of the Company amounts to € 49,156,253.10 and is divided into 163,854,177 common registered shares of a nominal value of thirty cents (€ 0.30) each. Similarly, the total number of voting rights of the Company amounted to 163,854,177.

30. OTHER RESERVES

Other reserves are analysed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Legal reserve	181,219	177,548	94,031	94,031
Tax-free reserves	1,776,905	1,752,963	1,689,504	1,686,042
Special reserves	683,310	683,310	122,446	122,446
Other	189,650,869	189,531,592	190,188,112	190,057,789
Total	**192,292,303**	**192,145,413**	**192,094,093**	**191,960,308**

Legal Reserve: Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the paid-in share capital. This reserve cannot be distributed through the life of the corporation.

Tax Free Reserve: Tax-free and specially taxed reserves represent interest income which is either free of tax or a 15% tax has been withheld at source. This income is not taxable, assuming there are adequate profits from which respective tax-free reserves can be established. According to the Greek tax regulations, this reserve is exempt from income tax, provided it is not distributed to shareholders. The Group has no intention of distributing this reserve and, accordingly, has not provided for deferred income tax that would be required in the event the reserve is distributed.

Special Reserve: Under Greek corporate law, corporations may establish a special reserve without a particular purpose after the decision of the shareholders at their Annual General Meeting or if required by its Articles of Association. The special reserve has been created from non-distributed prior year after tax profits.

Other: Relates mainly to the formation of a special reserve of € 179,523,180, in accordance with the decision of the Company's Shareholders' Extraordinary General Assembly held on August 23, 2012, equal to the share capital decrease that took place through the decrease of the nominal value of the Company's existing shares according to art. 4 par.4a of the C.L. 2190/1920.This special reserve may be used in accordance with the provisions of law either for capitalization or for off-set against losses. According to the Greek tax regulations, the future capitalization or the off-set against losses are exempt from income tax. In addition is included the amount of € 10,711,865 relates to the difference of the present value from the issue value of the convertible bond, net of deferred tax (Note 31).

31. DIVIDENDS

No dividends were paid or proposed during the years ended December 31, 2018 and 2017.

32. LONG-TERM AND SHORT-TERM BORROWINGS

Long-term Loans:

Long-term loans for the Group and the Company at December 31, 2018 and 2017, are analysed as follows:

	The Group		The Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Convertible bond loan	42,977,769	41,071,527	42,977,769	41,071,527
Other bond loans	255,000,000	255,000,000	78,461,538	78,461,538
Total	**297,977,769**	**296,071,527**	**121,439,307**	**119,533,065**
Less short term portion:				
Other bond loans	255,000,000	255,000,000	78,461,538	78,461,538
Total short term portion	**255,000,000**	**255,000,000**	**78,461,538**	**78,461,538**
Long term portion	**42,977,769**	**41,071,527**	**42,977,769**	**41,071,527**

Convertible bond loan: Forthnet has issued a convertible bond loan and raised a total amount of € 70,124,680, with the issuance of 233,748,933 convertible bonds (CB) on 11.10.2016 and trading in the Securities Market (Main Market) of the Athens Exchange on 21.10.2016. The duration of the bond is nine years from the date of issue. The interest rate was set at one percent (1%) per annum and the interest payment period is quarterly, starting from the date of issue and payment of 31.03, to 30.06, the 30.09 and 31.12 each year from the date of issue. On the repayment date, Forthnet will pay to each bond holder, upon presentation of this certificate of nominal EL.K.A.T. amount € 0.33 per CB, namely 110% of the issue price and corresponding interest from the last interest payment until the expiration date. Furthermore, the bondholders have the option to convert one (1) bond note for one (1) 'new' share, at a nominal value of € 0.30 per convertible bond, four (4) times a year within 30 days from the end of a calendar quarter (other than the issue date) up to the date of maturity of the convertible bond loan.

The convertible bond was initially recognized at cost, being the fair value less attributable transaction costs amounting to € 840,267 and was split into two elements: a financial liability and an equity component. The financial liability was initially measured at fair value by discounting the future contractual cash flows with an equivalent market interest rate and subsequently was measured at amortized cost using the effective interest method. At initial recognition, the fair value of the financial liability of the convertible bond amounted to € 50,536,179 and the difference from the value of the issue, amounting to € 18,748,234, minus the deferred tax amounting to € 5,259,249, i.e € 13,488,985 has been included in other reserves (note 30).

During the year January 1, 2018 to December 31, 2018 and January 1, 2017 to December 31, 2017, some bondholders converted 38,370 and 53,718,622 bonds respectively into Company shares. As a result of the above conversion, the remaining bonds of the CBL stood as at 31.12.2018 at 179,991,941 with a value of € 53,997,582 (31.12.2017: 180,030,311 with a value of € 54,009,093). Also, following the aforementioned conversion in the year 2017 and the resulting share capital increase by € 16.115.586,6 the obligation from the convertible bond loan decreased by € 12.222.139 while the other reserves decreased by € 3.893.447 less the deferred tax (€ 1,116,327). Respectively in the year 2018 the obligation from the convertible bond loan decreased by € 11,511 while at the same time a deferred tax was reduced by € 130,320 due to the change in the tax rates that will apply from the year 2019 and thereafter

Bond loans: Long-term bond loans of the Group are classified as short-term due to non-compliance with certain conditions and obligations under the existing loan agreements.
Existing Group bonds relate to two bond loans of the Company signed on June 29, 2007 and July 22, 2011 and two bond loans of Forthnet Media SA (FM), which were signed on 14 May 2008 and 22 July 2011. The terms and obligations under the loan agreements were described in detail in the published financial statements of December 31, 2015.

The Group has submitted requests for waiver to the lending banks in order to further extend the repayment of capital installments. The lending banks have accepted the requested and granted a waiver up till 30 April 2019. The Group has submitted on 1st April 2019 a new request for further extension (waiver) to 31 October 2019.

The Group negotiated with the lending banks reaching an agreement on the basic terms of the refinancing of existing bonds, and received on 15/06/2016 a binding proposal which was approved on 21/06/2016 by the Company's Board of Directors. Specifically, the Board of Directors took the following decisions:

It approved term sheets for the refinancing (hereinafter the “Refinancing”) of:

(i) existing loan obligations of Forthnet, through the issue of a new common, with collaterals in rem, bond loan of a total amount of € 78,461,538 organized by the banks National Bank of Greece, Piraeus Bank, Alpha Bank and Attica Bank, following their binding proposal dated 15.06.2016. The said bond loan shall have an 8-year term, floating interest rate and shall be issued under the guarantee of the Company’s affiliate, Forthnet Media SA (hereinafter “FM”) and

(ii) existing loan obligations of FM, through the issue of a new common, with collaterals in rem, bond loan of a total amount of € 176,538,462 organized by the banks National Bank of Greece, Piraeus Bank and Alpha Bank, following their binding proposal dated 15.06.2016. The said bond loan shall have an 8-year term, floating interest rate and shall be issued under the guarantee of the Company. The issue of the above common bond loans and their coverage by the organizing banks are under the usual terms and conditions, plus Forthnet’s obligation to repay € 21,538,462 and FM’s obligation to repay € 48,461,538, thus in total € 70 mil., in partial payment of their respective aforementioned loan obligations.

The Group has issued a convertible bond (see below) and has fulfilled that obligation to repay loan obligations amounting to € 70 million.

Having fulfilled the basic obligation of repaying the € 70 million, since July 2017, the Group and the lending banks have exchanged drafts of the refinancing agreement and those drafts are currently under processing in order to be finalized and this way complete the refinancing procedure of current bond loans.

As at December 31, 2018 the Group has not made contractual payments of € 255.0 million (December 31, 2017: € 255.0 million) required by its bond loan agreements.

Total interest expense on long-term loans for the period ended December 31, 2018 amounted to € 8.548.576 (31 December 2017: € 8.755.389) for the Group and € 2.984.580 for the Company (31 December 2017: € 3,233,434) and are included in the line “Financial expenses” in the attached statements of total comprehensive income. The amount of interest due for the Group amounting to € 12.098.827 (31 December 2017: € 5.517.247) and the Company of € 3.152.304 (31 December 2017: € 1.228.401) is included in the line “Accrued and other current liabilities” in Statement of Financial Position.

Short-term borrowings

The increase in short-term borrowings compared to 31.12.2017 is due to the short-term financing received by the Group in May 2018 of a total value of € 3,000,000 and a six-month floating Euribor rate plus a margin of 3% in order to cover its obligations towards important suppliers. From the total amount of € 3,000,000 the amounts of € 38,400 and € 1,257,800 for the Company and the subsidiary company Forthnet Media A.E. respectively, relate to newly raised funds while the amount of € 1,703,800 relates to the release of restricted deposits. For the aforementioned short-term financing the Group has pledged the receivables of the subsidiary Forthnet Media A.E. resulting from the wholesale agreements between the latter and Vodafone - Panafon AEET and Wind Hellas SA.

The following table shows the approved short-term borrowing limits of the Group as well as the amount used.

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Credit lines available	1,296,200	1,198,566	38,400	-
Unused portion	-	-	-	-
Used portion	**1,296,200**	**1,198,566**	**38,400**	**-**

33. FINANCE LEASE TRANSPONDER OBLIGATIONS

The Group leases transmission equipment of a total value of € 123,739,891, with duration of twelve years (which has been extended for one more year), repayable in equal monthly instalments bearing monthly interest at 0.671% since June 2013.

The finance lease transponders obligations are analyzed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Obligation under finance lease	**41,092,076**	**52,819,897**	**-**	**-**
Less: Current portion	(12,611,474)	(11,727,821)	-	-
Long-term portion	**28,480,602**	**41,092,076**	**-**	**-**

Future minimum lease payments under the finance lease of transponders in relation with the present value of the net minimum lease payments for the Group as at December 31, 2018 and 2017, is as follows:

The Group	31.12.2018		31.12.2017	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	15,200,000	12,611,474	15,200,000	11,727,821
After one year but no more than five years	30,704,000	28,480,602	45,904,000	41,092,076
Over five years	-	-	-	-
Total minimum lease payments	**45,904,000**	**41,092,076**	**61,104,000**	**52,819,897**
Less: amounts representing finance charges	(4,811,925)	-	(8,284,103)	-
Present value of minimum lease payments	**41,092,075**	**41,092,076**	**52,819,897**	**52,819,897**

34. OTHER FINANCE LEASE OBLIGATIONS

The other finance lease obligations relate to a leasing of a building at Antigonis 58, Peristeri, Attica, with a value of € 2,669,054 (including expenses, taxes, etc,) and is repayable in a hundred and seventy five (175) monthly instalments (from August 10, 2005 to February 10, 2020) bearing interest at the three month Euribor plus a margin of 1.5%.

The finance lease obligations are analyzed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Obligation under finance lease	**254,772**	**469,592**	**254,772**	**469,592**
Less: Current portion	(218,063)	(214,819)	(218,063)	(214,819)
Long-term portion	**36,709**	**254,773**	**36,709**	**254,773**

Future minimum lease payments under the finance lease in relation with the present value of the net minimum lease payments for the Group and the Company as at December 31, 2018 and 2017 are as follows:

The Group / The Company	31.12.2018		31.12.2017	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	220,388	218,064	220,388	214,819
After one year but no more than five years	36,778	36,708	257,166	254,773
Over five years	-	-	-	-
Total minimum lease payments	**257,166**	**254,772**	**477,554**	**469,592**
Less: amounts representing finance charges	(2,395)	-	(7,965)	-
Present value of minimum lease payments	**254,771**	**254,772**	**469,589**	**469,592**

35.OTHER LONG TERM LIABILITIES

Other long term liabilities are analyzed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Long term portion of deferred income from optic fibre network capacity exchanges (Note 26, 27)	-	6,735,770	-	6,735,770
Long term portion of settled liability relating to duty payable in accordance with Law 2644/1998 (Note 38)	7,581,979	9,494,084	-	-
Long term portion of settled liability to foreign supplier (Note 38)	7,191,311	8,693,263	-	-
Settled liability for pay tv tax	-	715,821	-	-
Guarantees of shops	356,528	478,529	356,526	478,529
Duty payable in favour of blinds	886,194	713,803	-	-
Long term portion of other deferred income	7,065	11,884	7,068	11,884
Total	**16,023,078**	**26,843,153**	**363,594**	**7,226,183**

36. RESERVE FOR STAFF RETIREMENT INDEMNITIES

State Pension: The Company's employees are covered by one of several Greek State sponsored pension funds. Each employee is required to contribute a portion of their monthly salary to the fund, with the Company also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. As such, the Company has no legal or constructive obligation to pay future benefits under this plan. The contributions to the pension funds for the years ended December 31, 2018 and 2017 amounted to € 6,519,892 and € 7,064,983 respectively for the Group and € 3,869,203 and € 4,162,843, for the Company respectively (Note 10).

Staff Retirement Indemnities: Under Greek labour law, employees and workers are entitled to termination payments in the event of dismissal or retirement with the amount of payment varying in relation to the employee's or worker's compensation, length of service and manner of termination (dismissed or retired). Employees or workers who resign or are dismissed with cause are not entitled to termination payments. The indemnity payable in case of retirement is equal to 40% of the amount which would be payable upon dismissal without cause. In Greece, local practice is that those pension plans are not funded.

In accordance with this practice, the Group does not fund these plans. The Group charges income from continuing operations for benefits earned in each period with a corresponding increase in retirement indemnity liability. Benefits payments made each period to retirees are charged against this liability.

An international firm of independent actuaries evaluated the Group's liabilities arising from the obligation to pay retirement indemnities. The details and principal assumptions of the actuarial study as at December 31, 2018 and 2017 are as follows:

	The Group		The Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Present value of unfunded obligations	4,050,255	4,423,878	2,443,546	2,494,079
Fair value of plan assets	-	-	-	-
Net Liability in statement of financial position	**4,050,255**	**4,423,878**	**2,443,546**	**2,494,079**
Components of net periodic pension cost				
Service cost	276,214	297,074	179,269	177,198
Interest cost	78,412	85,649	44,893	45,713
Regular charge to operations	**354,626**	**382,723**	**224,162**	**222,911**
Recognition of past service cost	-	38,722	-	16,879
Additional cost of extra benefits	900,842	1,271,659	553,572	964,940
Total charge in profit and loss (Note 10)	**1,255,468**	**1,693,104**	**777,734**	**1,204,730**
Reconciliation of benefit obligation				
Present value of liability at start of period	**4,423,878**	**4,527,751**	**2,494,079**	**2,405,961**
Service cost	276,214	297,074	179,269	177,198
Interest cost	78,412	85,649	44,893	45,713
Benefits paid	(1,205,094)	(1,624,219)	(714,715)	(1,189,465)
Extra payments or expenses	900,842	1,271,659	553,572	964,940
Disposal of subsidiary	(223,740)	-	-	-
Recognition of past service cost	-	38,722	-	16.879
Actuarial gains/(loss) in other comprehensive income	(200,257)	(172,758)	(113.552)	72.853
	4,050,255	**4,423,878**	**2,443,546**	**2,494,079**

Discount Rate	2.00%	1.80%	2.00%	1.80%
Rate of compensation increase	0.0%	0.0%	0.0%	0.0%
Increase in consumer price index	1.75%	1.75%	1.75%	1.75%

The additional cost of extra benefits relates to benefits paid to employees who became redundant. Most of these benefits were not expected within the terms of this plan and, accordingly, the excess of benefit payments over existing reserves have been treated as an additional pension charge. The additional pension charge for the years ended December 31, 2018 and 2017 amounted to €€ 900,842 and € 1,271,659 respectively for the Group and € 553,572 and € 964,940 respectively for the Company. Actuarial gain / losses were recognized in other comprehensive income.

A quantitative sensitivity analysis for significant assumption as at 31 December 2018 is shown below:

The Group		**Discount rate**		**Future salary increases**		**Life expectancy of pensioners**		**Withdrawal rate**
Sensitivity Level		**0,5% increase**	**0,5% decrease**	**0,5% increase**	**0,5% decrease**	**Increase by 1 year**	**Decrease by 1 year**	**0%**
Impact on defined benefit obligation	**31.12.2018**	(384,774)	429,327	332,121	(364,523)	44,553	(44,553)	672,342
	31.12.2017	(433,540)	460,083	380,454	(411,421)	48,663	(53,087)	783,026
The Company		**Discount rate**		**Future salary increases**		**Life expectancy of pensioners**		**Withdrawal rate**
Sensitivity Level		**0,5% increase**	**0,5% decrease**	**0,5% increase**	**0,5% decrease**	**Increase by 1 year**	**Decrease by 1 year**	**0%**
Impact on defined benefit obligation	**31.12.2018**	(232,137)	259,016	200,371	(219,919)	26,879	(26,879)	405,629
	31.12.2017	(244,420)	259,384	214,491	(231,949)	27,435	(29,929)	441,452

With regard to the mortality assumption the table used is called EVK2000 which is based on Swiss mortality.

The expected future payments arose from the defined benefit plans are analyzed as follows:

	The Group		The Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Within the next 12 months (next annual reporting period)	12,320	30,486	-	-
Between 2 and 5 years	67,681	26,235	30,742	-
Between 5 and 10 years	201,170	109,157	74,876	29,629
Beyond 10 years	8,309,738	9,491,743	5,304,118	5,738,508
Total expected payments	**8,590,909**	**9,657,621**	**5,409,736**	**5,768,137**

The average duration of the defined benefit plan obligation at the end of the reporting period is 21.5 years (2017: 21.5 years).

37. GOVERNMENT GRANTS

Government grants are analyzed as follows:

	The Group		The Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Government grant N. 3299/2004	9,567,701	9,567,701	9,000,000	9,000,000
Subprojects 6 & 7 of the Operational Programme “Information Society”	19,532,612	19,532,612	19,532,612	19,532,612
Government Grants	**29,100,313**	**29,100,313**	**28,532,612**	**28,532,612**
Accumulated amortiszation	(24,698,237)	(23,528,287)	(24,130,535)	(22,960,586)
Amortization for the period	(936,807)	(1,169,949)	(936,807)	(1,169,949)
Ending balance	**3,465,270**	**4,402,077**	**3,465,270**	**4,402,077**

Subsidies amortization is included in “Other income” in the accompanying statements of comprehensive income.

38. TRADE PAYABLES

Trade payables are analyzed as follows:

	The Group		The Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Domestic suppliers	62,037,178	66,973,428	26,292,569	29,288,683
Foreign suppliers	30,023,189	27,230,719	2,591,922	3,613,077
Post-dated cheques payable	574,022	1,895,555	502,333	1,859,152
Total	**92,634,389**	**96,099,702**	**29,386,824**	**34,760,912**

According to L.2644/1998, in order to provide subscription, radio and television services, Forthnet Media S.A. is obliged to give part of its subscription services. The Group, during the second quarter of 2015, received notice from the General Secretariat of Information and Communication for the payment of the part related to years 2011, 2012 and 2013, amounting to € 14,864,862, and which was set to be paid in 100 installments until the year 2023, under the L. 4321/2015. The present value of this obligation at December 31, 2018, amounted to € 9,494,084 (December 31, 2017: € 11,343,554).

The total long-term portion of € 7,581,979 (December 31, 2017: € 9,494,084) of the amount due has been transferred from the Domestic Suppliers in “Other Long-Term Liabilities” line (Note 35). The result from the present value adjustment of € 350,220 (December 31, 2017: € 410,803) was included in “Other financial costs” (Note 13).

Furthermore, within July 2016, a Group Settlement Agreement with a foreign supplier was reached for a liability amount of € 12,250,000. As at 31 December 2018, the measurement result of the effective interest method of € 421,720 (31 December 2017: € 405,374) is included in “Other financial costs” (Note 13).

The present value of this liability at 31 December 2018 is € 7,630,036 (31 December 2017: € 9.114.983). The long-term portion of € 7.191.311 (31 December 2017: € 8.693.263) of the payable amount has been transferred from foreign suppliers to "Other long-term liabilities" (note 35).

39. PROGRAMME AND FILM RIGHTS OBLIGATIONS

Programme and film rights obligations are analyzed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	30.6.2017	31.12.2016
Programmes and Rights	36,763,965	44,544,597	4,115,507	13,017,921
Less: Current portion	(36,763,965)	(44,544,597)	(4,115,507)	(13,017,921)
Μακροπρόθεσμο μέρος	-	-	-	-

The program and film rights obligations relate to the outstanding un-invoiced part of the relevant rights at 31 December 2018 and 31 December 2017.
The above line is also directly related to line of the statement of financial position "Program and film Rights" (Note 24).

40. ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities are analyzed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Social security payable	3,769,552	1,978,841	2,122,852	979,976
Value added tax	1,965,205	2,693,850	-	1,102,524
Other taxes and duties	11,080,235	6,041,446	8,246,148	2,626,026
Customer advances	-	43,731	-	-
Interest Accrued (Note 32)	12,098,827	5,517,247	3,152,304	1,228,401
Other current liabilities	2,717,796	3,392,911	1,672,495	1,770,876
Liabilities from rights & licences	5,562,556	4,692,469	-	-
Total	**37,194,171**	**24,360,495**	**15,193,799**	**7,707,803**

Other current liabilities mainly relates to personnel benefits payable (personnel bonus, accrual for untaken leave, payroll which is paid in the first days of the following month and balances payables from termination indemnities)

The increase in "Other taxes and duties payable" and the "Social security payable" is due to additional settlements for repayment of taxes, fees and social security contributions.

41. RELATED PARTIES

The Company and the Group purchase goods and services from and provides services to certain related parties in the normal course of business. These related parties consist of companies that have a significant influence over the Group (shareholders), are subsidiaries or are associates of the Group.

The Group's transactions and account balances with related companies are as follows:

Related Party	**Relation with the Group**	**Year ended at**	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2018	4,086,707	3,241,196	301,868	551,124
		31.12.2017	1,571,881	3,247,594	340,203	602,645
Vodafone S.A.	Shareholder	31.12.2018	4,712,095	2,487,152	300,428	548,014
		31.12.2017	2,903,471	2,484,352	267,468	511,692
Technology and Research Foundation	Shareholder	31.12.2018	32,970	44,200	24,671	333
		31.12.2017	51,505	10,590	34,267	3,500
Lumiere Productions S.A.	Shareholder	31.12.2018	-	-	-	6,378
		31.12.2017	-	-	-	6,378
Lumiere Cosmos Communications	Shareholder	31.12.2018	-	-	-	10
		31.12.2017	-	-	-	10
ALPHA BANK SA	Shareholder	31.12.2018	230,191	133,212	88,217	15,155
		31.12.2017	101,479	142,341	41,709	15,264
NATIONAL BANK OF GREECE SA	Shareholder	31.12.2018	191,693	156,853	137,679	124,455
		31.12.2017	29,757	170,777	23,061	247,458
PIRAEUS BANK SA	Shareholder	31.12.2018	1,191,056	8,472	98,851	4,968
		31.12.2017	1,240,333	-	65,717	-
ATTICA BANK SA	Shareholder	31.12.2018	45,088	-	2,289	-
		31.12.2017	1,217	-	1,223	-
Telemedicine Technologies S.A.	Associate	31.12.2018	-	-	3,734	-
		31.12.2017	-	-	3,734	-
Athlonet S.A.	Associate	31.12.2018	-	-	4,497	4,497
		31.12.2017	-	-	11,502	8,060
Vodafone Ltd.	Related Party	31.12.2018	1,554,834	1,130,040	357,597	216,431
		31.12.2017	1,306,094	1,437,214	112,690	-
Hellas Online	Related Party	31.12.2018	-	-	12	116
		31.12.2017	-	-	11	117
Cablenet Ltd	Related Party	31.12.2018	6,120	55,200	1,020	-
		31.12.2017	5,875	62,850	1,020	4,600
Total		31.12.2018	**12,050,754**	**7,256,326**	**1,320,863**	**1,471,481**
Total		31.12.2017	**7,211,612**	**7,555,718**	**902,605**	**1,399,724**

- The Company's revenues and costs from Wind Hellas Telecommunications S.A. are related to interconnection fees, swaps of fiber optic network and leased lines while the Company's revenues and costs from Vodafone Ltd, Vodafone – Panafon S.A. are related to interconnection fees and leased lines. The revenue increase in the current period is primarily attributed to the agreement reached in September 2017 between Forthnet Media S.A. and Vodafone – Panafon S.A. and Wind Hellas Telecommunications S.A. for the wholesale distribution to the latter of Forthnet Media's Pay TV "Novasports" branded channels.
- The costs from Alpha Bank and National Bank of Greece relate to commissions for collection from customers. The revenues from Alpha Bank, National Bank of Greece, Piraeus Bank and Bank of Attika relates to provision of services (leased lines, etc) as well as to the recharge of the monitoring officer cost.

The Company's transactions and account balances with related companies are as follows:

Related Party	Relation with Forthnet	Year ended at	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2018	1,355,088	3,174,406	301,868	545,263
		31.12.2017	1,571,881	3,176,230	340,184	599,279
Vodafone S.A.	Shareholder	31.12.2018	1,079,013	2,484,514	300,428	547,788
		31.12.2017	1,100,236	2,481,331	267,468	511,586
Technology and Research Foundation	Shareholder	31.12.2018	32,970	44,200	24,671	333
		31.12.2017	56,797	10,590	33,787	3,534
ALPHA BANK SA	Shareholder	31.12.2018	230,191	132,359	88,218	15,719
		31.12.2017	101,479	141,590	41,705	15,606
NATIONAL BANK OF GREECE SA	Shareholder	31.12.2018	191,487	102,968	137,389	124,456
		31.12.2017	29,351	110,555	22,894	247,459
PIRAEUS BANK SA	Shareholder	31.12.2018	1,191,554	8,472	99,554	4,968
		31.12.2017	1,239,586	-	65,607	-
ATTICA BANK SA	Shareholder	31.12.2018	45,088	-	2,289	-
		31.12.2017	540	-	299	-
Telemedicine Technologies S.A.	Associate	31.12.2018	-	-	3,734	-
		31.12.2017	-	-	3,734	-
Athlonet S.A.	Associate	31.12.2018	-	-	4,497	4,497
		31.12.2017	-	-	11,502	8,060
Vodafone Ltd.	Related Party	31.12.2018	1,554,834	1,130,040	357,597	216,431
		31.12.2017	1,306,094	1,437,214	112,690	-
Cablenet Ltd	Related Party	31.12.2018	6,120	55,200	1,019	2
		31.12.2017	5,875	62,850	1,019	4,600
Forth CRS S.A.	Subsidiary	31.12.2018	87,237	104,994	-	-
		31.12.2017	103,643	117,561	-	52,804
Forthnet Media S.A.	Subsidiary	31.12.2018	5,377,512	1,317,211	100,122,918	5,292
		31.12.2018 - Provision for impairment	-	-	(100,122,918)	(5,292)
		31.12.2017	7,136,309	899,055	99,925,647	3,775,097
NetMed S.A.	Subsidiary	31.12.2018	85,859	-	834,673	74,715
		31.12.2017	98,713	(1)	866,721	16,014
Intervision Services BV	Subsidiary	31.12.2018	82,955	-	361,051	-
		31.12.2017	184,131	-	278,094	-
Total		31.12.2018	**11,319,909**	**8,554,364**	**2,516,987**	**1,534,172**
Total		31.12.2017	**12,934,636**	**8,436,974**	**101,971,352**	**5,234,038**

- Revenues and receivables from Forthnet Media S.A. are mainly related to the 3 play commission re-charged to the subsidiary by the Company, as well as, charges for the re-sale of the Super league and UEFA football rights.
- The Company's payable towards Forthnet Media S.A. is mainly related to cash collected by its stores on behalf of Forthnet Media S.A.

As at December 31, 2018, the Company assessed the impairment indicators of its receivable from the subsidiary Forthnet Media S.A. (€100.1 million) and considered that the carrying amount is not recoverable thus proceeded with the full impairment of the receivable. The impairment indicators, included among others, the adverse current economic conditions in the Greek market as well as the uncertainty with respect to the successful outcome of the process that has been initiated for the identification of a prospective investor as highlighted in Note 7; at the same time the uncertainty about the adequacy and effectiveness of the intended management actions to cover the subsidiary's working capital cash needs and their ability to complete the subsidiary's refinancing of its contractual obligations under its loan agreements were also considered in the assessment.

Salaries and fees for the members the Board of Directors and the Senior executives of the Group for the years ended 2018 and 2017 are analyzed as follows:

	The Group		The Company	
	01.01-31.12.2018	01.01 - 31.12.2017	01.01-31.12.2018	01.01 - 31.12.2017
Salaries and fees for executive members of the BoD	400,877	508,814	400,877	508,814
Salaries and fees for non-executive members of the BoD	290,860	238,659	290,860	238,659
Salaries and fees for senior managers	1,970,524	2,202,662	1,096,021	1,370,220
Total	**2,662,261**	**2,950,135**	**1,787,758**	**2,117,693**

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and senior executives relating to retirement insurance program amounted to € 150,784 for the Group and € 98,742 for the Company respectively (December 31, 2017: € 157,091 for the Group and € 108,450 for the Company respectively).
Also, it is noted that the caption "Salaries and fees for senior executives" also includes benefits relating to leaving indemnities which amounted to € 98,922 and € 61,589 for the Group and the Company respectively (December 31, 2017: € 211,465 for both the Group and the Company).
The amounts owed to the members of the BOD for the Group and the Company as of December 31, 2018 are € 66,686 (December 31, 2017: €64,912).

42. COMMITMENTS AND CONTINGENCIES

Contingencies

Litigation and Claims: The Group is currently involved in a number of legal proceedings and has various claims pending arising in the ordinary course of business. A provision for open legal claims against the Company and the Group is formed when it is probable that an outflow of economic resources will be necessary in order to settle the obligation and the amount can be determined reliably. Based on currently available information, management and its legal counsel believe that the outcome of these proceedings will not have a significant effect on the Group's and Company's operating results or financial position (refer to Note 45).

Compensation of Senior Executives: The contracts of the Chief Executive Officer and certain management executives provide for payment of additional compensation in the case of contract termination for which the aforementioned persons are not liable or in case of forced resignation, while some of the above contracts especially provide for payment of additional compensation in the case of contract termination by the Company or at the latter's fault, following change of the Company's control or due to an imminent change of control. Such a change of control could also be the result of a public offer. As for the rest, there are no agreements between the Company and the members of the Board of Directors of the Company or its staff, providing for payment of compensation especially in the case of resignation or dismissal without justified reasons or termination of their term or employment, due to a public offer.

The amount of the additional compensation amounted to approximately € 1.80 million for the Group and to approximately € 1.35 million for the Company at December 31, 2018 (approximately € 1.34 million at December 31, 2017 for the Group and approximately € 0.90 million for the Company).

Commitments

Rentals: The Group has entered into commercial operating lease agreements for the lease of a building, office space and offices used as points of presentation for dealers. These lease agreements have an average life of 5 to 10 years with renewal terms included in certain contracts. Also, the Group has entered into operating lease of cars with average life of the lease agreements between 3 and 6 years. Future minimum rentals payable under non-cancellable operating leases as at December 31, 2018 and 2017, are as follows:

	The Group		The Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Within one year	2,739,612	2,244,361	1,330,601	899,942
2-5 years	610,776	2,458,777	598,027	1,108,069
Over 5 years	17,114	19,209	17,114	18,071
Total	**3,367,502**	**4,722,347**	**1,945,742**	**2,026,082**

Guarantees: Letters of guarantee are issued and received by the Group to and from various beneficiaries and, as at December 31, 2018 and 2017, these are analysed as follows:

	The Group		The Company	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Good execution of agreements	244,252	117,688	244,252	110,164
Participation in bids	2,555,905	2,555,066	2,555,905	2,555,066
Guarantees for advance payments received	6,996,616	7,816,942	1,996,616	2,816,942
Σύνολο	**9,796,773**	**10,489,696**	**4,796,773**	**5,482,172**

Contractual Commitments from supplier contracts: The outstanding balance of the contractual commitments for the Group amounted to approximately € 83.2 million and for the Company amounted to approximately € 7.8 million at December 31, 2018 (December 31, 2017: € 82.0 million and € 10.1 million, respectively).
Included in the aforementioned amounts is the outstanding balance of the contractual commitments relating to the maintenance of international capacity telecommunication lines (OA&M charges), which have been acquired through long-term lease (IRU), and which amounted to approximately € 7,8 million at December 31, 2018 (December 31, 2017: € 10,1 million) both for the Group and the Company.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Fair Value: The carrying amounts reflected in the accompanying statements of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, trade and other accounts payable and accrued and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The Group's management believes that the fair value of floating rate loans approximate their carrying amounts reflected in the statements of financial position. The fair values of interest bearing long term borrowings of the Group and the Company that are determined based on the discounted cash flows method by using a discount rate which reflects the interest rate of the issuer at the reporting date and it also takes into account the own non-performance risk as of December 31, 2018, have considered as approximating their carrying values.

The fair values of derivative financial instruments are based on the mark-to-market valuation.

The Group categorised its financial instruments carried at fair value in three categories, defined as follows:
Level 1: Quoted market prices
Level 2: Valuation techniques (market observable)
Level 3: Valuation techniques (non-market observable)

For assets and liabilities recognized in the financial statements on a recurring basis, the Group determines if there have been transfers between hierarchy levels, through the re-evaluation and classification (based on the lower level data that are important for the measurement of fair value as a whole) at the end of each reporting period. The Group establishes policies and procedures for repeated measures (Derivatives).

At each reporting date, the Group analyzes the changes in value of liabilities subject to recalculation and revaluation in accordance with its accounting policies. For this analysis, management verifies the major inputs applied in the later assessment, confirming the data used in the valuation, through contracts and other relevant documents.

During the year ended December 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at December 31, 2018 and 2017 the Group held the following financial instruments which are not measured at fair value The following analysis of financial instruments is made merely for disclosure purposes. Also, it is estimated that the fair value of the below financial instruments approximates their carrying values as most of the financial liabilities are short-term, and as a result, the effect of discounting using the current market rate is not expected to be significant.

Fair Value - 31.12.2018	**The Group**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 32)	-	297,977,769	-	**297,977,769**
Long-term financial liability towards the Greek Government	-	7,581,979	-	**7,581,979**
Short-term financial liability towards the Greek Government	-	1,912,105	-	**1,912,105**
Long-term financial liability towards foreign creditor	-	7,191,311	-	**7,191,311**
Short-term financial liability towards foreign creditor	-	438,725	-	**438,725**
Total	**-**	**315,101,889**	**-**	**315,101,889**

Fair Value - 31.12.2017	**The Group**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 32)	-	296,071,527	-	**296,071,527**
Long-term financial liability towards the Greek Government	-	9,494,084	-	**9,494,084**
Short-term financial liability towards the Greek Government	-	1,849,471	-	**1,849,471**
Long-term financial liability towards foreign creditor	-	8,693,263	-	**8,693,263**
Short-term financial liability towards foreign creditor	-	421,720	-	**421,720**
Total	**-**	**316,530,065**	**-**	**316,530,065**

As at December 31, 2018 and 2017 the Company held the following financial instruments which are not measured at fair value (the following analysis is made merely for disclosure purposes). Also, it is estimated that the fair value of the below financial instruments approximates their carrying values as most of the financial liabilities are short-term, and as a result, the effect of discounting using the current market rate is not expected to be significant.

Fair Value - 31.12.2018	**The Company**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 31)	-	121,439,307	-	**121,439,307**
Total	**-**	**121,439,307**	**-**	**121,439,307**

Fair Value - 31.12.2017	**The Company**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 31)	-	119,533,065	-	**119,533,065**
Total	**-**	**119,533,065**	**-**	**119,533,065**

FINANCIAL RISKS

Credit Risk: Credit risk means that a counterparty may fail to meet its financial obligations towards the Group. The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at December 31, 2018, in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the accompanying statements of financial position. The Group has no significant concentrations of credit risk with any single counter party.

Foreign Currency Risk: Foreign currency risk means that the fair value of the cash flows of a financial instrument may vary due to changes in the exchange rate of foreign currency. The Group is active internationally and is exposed to variations in foreign currency exchange rate which arises mainly from the US Dollar. This type of risk arises mainly from transactions in foreign currency. The financial assets and liabilities in foreign currency translated into Euros using the exchange rate at the financial position date, for the Group and the Company is analysed as follows:

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Nominal amounts in US$				
Financial assets	5,410	3,132,085	2,220,603	3,132,020
Financial liabilities	(23,664,104)	(27,353,913)	(109,266)	(130,671)
Short term exposure	**(23,658,694)**	**(24,221,828)**	**2,111,337**	**3,001,349**

The following table presents the sensitivity of the result for the year in regards to the financial assets and financial liabilities and the Euro/ US Dollar exchange rate. It assumes a 5% (2016: 5%) change of the Euro/US Dollar exchange rate for the year ended December 31, 2018. The sensitivity analysis is based on the Group's foreign currency financial instruments held at year end.

	The Group		The Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Sensitivity analysis on f.x rate +5%				
Result for the year	983,934	961,745	-	(119,171)
Sensitivity analysis on f.x rate -5%				
Result for the year	(1,087,506)	(1,062,981)	-	131,715

The above effect on the results, before tax, is based on the average foreign exchange rates for the related year.

The Group's foreign exchange rates exposure varies within the year depending on the volume of the transactions in foreign exchange. Although the analysis above is considered to be representative of the Group's currency risk exposure.

Interest Rate Risk: Interest rate risk means that the fair value of the future cash flows of a financial instrument may vary due to changes in market interest rates. The Group and the Company are primarily exposed to interest rate risk through its long-term borrowings. With respect to long-term borrowings, Management monitors on a constant basis the interest rate variances and evaluates the need for assuming certain positions for the hedging of such risks.
The following table demonstrates the sensitivity of the Group' profit before tax (through the impact on profits of the outstanding floating rate borrowings at the end of the year) to reasonable changes in interest rates, with all other variables held constant.

The Group	31.12.2018		31.12.2017	
	Interest Rate Variation	Effect on income	Interest Rate Variation	Effect on income
Euro	1.00%	(3,133,009)	1.00%	(2,585,417)
	-1.00%	-	-1.00%	-

The above table does not include the positive impact of interest received on deposits and any effect (positive or negative) on interest rate swaps.

Liquidity Risk: Liquidity risk means that the Group and the Company may not be able to fulfill their financial liabilities when due. The Group in its effort to manage the risks that may arise from the lack of sufficient liquidity has reached an agreement with banks in order to achieve the refinancing of existing loans.

The table below summarizes the maturity profile of the financial liabilities at December 31, 2018 and 2017 that arise from contractual agreements (amounts undiscounted):

The Group	On demand	Less than 6 months	6 to 12 months	2 to 5 years	>5 years	Total
2018						
Borrowings	-	255,038,400	-	-	53,997,582	309,035,982
Leases	-	7,710,195	7,710,195	30,740,778	-	46,161,167
Trade, programme and film rights and other payables (short & long term)	-	99,944,776	70,261,655	-	-	170,206,431
	-	**362,693,371**	**77,971,849**	**30,740,778**	**53,997,582**	**525,403,581**
2017						
Borrowings	-	255,000,000	1,198,566	-	53,854,284	310,052,851
Leases	-	7,710,195	7,710,195	46,161,166	-	61,581,556
Trade, programme and film rights and other payables (short & long term)	-	99,106,941	70,016,072	19,616,971	-	188,739,983
	-	**361,817,136**	**78,924,833**	**65,778,137**	**53,854,284**	**560,374,390**

The Company	On demand	Less than 6 months	6 to 12 months	2 to 5 years	>5 years	Total
2018						
Borrowings	-	78,499,938	-	-	53,997,582	132,497,520
Leases	-	110,195	110,195	36,778	-	257,168
Trade, programme and film rights and other payables (short & long term)	-	25,117,797	25,117,797	-	-	50,235,594
	-	**103,727,930**	**25,227,992**	**36,778**	**53,997,582**	**182,990,282**
2017						
Borrowings	-	78,461,538	-	-	54,009,094	132,470,631
Leases	-	110,195	110,195	257,166	-	477,556
Trade, programme and film rights and other payables (short & long term)	-	30,360,337	30,360,337	-	-	60,720,674
	-	**108,932,070**	**30,470,532**	**257,166**	**54,009,094**	**193,668,861**

Capital Management: The Group in order to maintain a strong internal calculation credit rating and healthy capital ratios , reached an agreement on the key refinancing terms for the existing loans with its lending banks. The Group monitors capital with one of the financial covenants of its bond loans: Net Debt/EBITDA. The Group includes within net indebtness, interest bearing loans and borrowings, less cash and cash equivalents. EBITDA is defined as earnings before interest taxes, depreciation and amortization (M€42.3) as well as any non-cash adjustments associated with impairment of goodwill charges and deducting transponder costs (M€15.2).

	The Group	
	31.12.2018	**31.12.2017**
Long-term borrowings	-42,977,769	-41,071,527
Short-term borrowings	-256,296,200	-256,198,566
Total Debt	**(299,273,969)**	**(297,270,093)**
Less: Cash and cash equivalents	1,532,249	2,603,540
Total net Debt	**(297,741,720)**	**(294,666,553)**
Adjusted EBITDA (non-cash adjustments)	**27,146,168**	**26,577,460**
Ration Net Debt / EBITDA	**-11**	**-11**

44. AUDIT & OTHER FEES

The audit and other fees charged by ERNST & YOUNG are analyzed as follows:

	Ο Όμιλος		Η Εταιρεία	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Audit services	168,000	175,000	115,000	115,000
Tax certificate services	100,000	105,000	55,000	55,000
Other assurance services	2,000	1,500	1,000	500
Other services	-	28,500	-	28,500
TOTAL	**270,000**	**310,000**	**171,000**	**199,000**

45. LITIGATION – ARBITRATION

Contingent liabilities arising from open judicial claims

The contingent liabilities of the Group and the Company arising from open judicial claims are mentioned below:

A. JUDICIAL CLAIMS OF THIRD PARTIES AGAINST FORTHNET S.A.

Contingent liabilities (before any provision made) from judicial claims of third parties against Forthnet S.A. are totaling to € 5,1 mil approximately. Major cases are stated below:

i) The case of the inquiry of the Commission for the Protection of Competition of the Republic of Cyprus (C.P.C) against Forthnet Group companies (Forthnet Media Holdings S.A. and Multichoice Hellas S.A) and Cyprus Telecommunication Authority S.A. (“CYTA”) for the ascertainment of reported violations of the provisions regarding the protection of the competition (articles 3 or/and 6 of the Cyprus Law no. 13(I) 2008 as well as articles 101 or/and 102 of the Treaty on the Functioning of the European Union [TFEU]), from the terms of the effective content supply agreement between the aforementioned contracting parties, was heard before the C.P.C. during the oral hearing of September 9th, 2014. During the hearing, the Company presented its pleas in law and pieces of evidence for the refutation of the objections set forth in the preliminary conclusion of C.P.C‘s inquiry, setting forth and extending all the points that had already notified to the C.P.C. through its written memo of August the 8th 2014. The C.P.C. notified its opinion, according which the alleged violations are ascertained.

The Company submitted its written attestation on the sanctions, further to the ascertainments of the C.P.C. CPC issued its no. 13/2015 decision, by which a fine of the amount of 2.25 million Euro was imposed only to Forthnet S.A., as a parent company of Forthnet Media S.A, for reported violations of the free competition in the Republic of Cyprus, which must be paid within nine months from the notification of the decision to the Company (June 2015). FORTHNET S.A. lodged an appeal before the Courts of Cassation of the Republic of Cyprus, aiming at the cassation of the issued decision and its hearing is expected. The outcome of the case cannot be foreseen.

For the above case a relative provision has been recorded in the financial statements of the Company in year 2015.

ii) Furthermore, fines of a total amount of approximately € 670 thousand have been imposed to the Company by the individual competent Independent Administrative Authorities, for several reasons. The Company has appealed before the competent administrative courts for the cancellation or otherwise modification (review) of the above imposed fines.

(iii) No. 653/11/22.05.2012 decision of EETT has been issued, regarding unwarranted charges of electricity on places of Natural Collocation, according to which OTE was obliged to liquidate invoices which have been issued against providers and related to electricity charges on that places for the period from February 2007 to August 2009, using the formula specified on that decision. In December 2012, OTE returned to the Company an amount of € 842 thousand. However, it has recourse to the competent administrative court against the decision of EETT.

The results of the above judicial claims cannot be foreseen, and thus no provision of expense has been made by the Company and the Group in its financial statements, except for case (i) for which the Company and the Group has formed an equal in amount provision during the first semester of 2015 as well as for cases under (ii) above for which the Group has formed a provision of € 70 thousand.

(iv) By EETT's decisions no 838/18/14.12.2017 & 838/19/14.12.2017 regarding Audit Results concerning OTE's claims for Net Cost of Universal Service (NCUS) calculation for the years 2010 & 2011 respectively, EETT recognized that OTE's NCUS for the said years amount to €46,8m. Furthermore, by EETT's decisions no 844/04/12.03.2018 & 844/05/12.03.2018 regarding the allocation of NCUS for the years 2010 & 2011, EETT calculated the contribution of each company liable for the payment of NCUS, including our Company. Company's contribution to OTE's NCUS for the years 2010 & 2011 amounted to €1,779,561.

It is noted that the Group and the Company have recognized in its financial statements the financial liability arising from the above USO charge in the captions "Sundry expenses" and "Trade accounts payable" respectively.

Following the above mentioned charge, it is noted that it still pending from EETT the calculations and respective imposition of the NCUS for the years 2012 to 2016. Given that this cost cannot be reliably measured, no provision has been recognized in the group / company annual financial statements in this respect.

B. JUDICIAL CLAIMS OF THIRD PARTIES AGAINST FORTHNET MEDIA S.A.

The outstanding judicial claims of third parties against the subsidiary, Forthnet Media S.A. (hereinafter FM, which absorbed the companies NetMed Hellas S.A., SYNED S.A. and Multichoice Hellas S.A.) amount to € 14,6 million approximately, plus interest and legal expenses. From the abovementioned amount:

i) A claim of approximately € 0.81 million, plus interest and legal expenses concerns a lawsuit by the Cypriot based company LUMIERE TV PUBLIC COMPANY LIMITED, as a fee for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by TILEDRASI S.A. (prior to its absorption by FM) of 828 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. A judgment that dismissed the lawsuit as unsubstantiated was issued. The litigant party has lodged an appeal, the hearing of which took place on April the 30th 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company "CYPROMAN LTD", which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. No. 5163/2015 judgment of the Court of Appeals of Athens was issued, which rejects the appeal of LUMIERE as unsubstantiated. Similarly, the third party intervention of CYPROMAN LTD was rejected as having no subject. Consequently, the first instance judgment 4200/2013 of the Multimember Court of First Instance of Athens, by which the lawsuit of LUMIERE was judged as rejected, has been rendered final, while LUMIERE is entitled to file a stay of default judgment or/and a cassation against the judgment of the Court of Appeals of Athens.

ii) An amount of € 7.7 million approximately (as it stood on March 9, 2006) plus interest relating to a claim of the Greek State (Athens FAEE) relating to differences resulting from tax audits of past years (of the company Multichoice Hellas S.A.). Appeals have been lodged against the above actions, which have been heard and court judgments have been issued, which partially accept the appeals and define the taxable income for the fiscal year 1998 to € 0.34 million, while for the fiscal year 1999 to €0.18 million and the due taxes will be computed on the said amounts. The total amount, amounts along with the interests to approximately € 832 thousand out of which the company has already paid in advance the amount of € 786 thousand as a precondition for the filing of the appeals. The Greek State filed appeals before the Supreme Court, the hearing date of which had been scheduled initially for 7.12.2016 when it was adjourned for 7.6.2017. For the final amount of tax that is going to be charged according to the above (i.e. € 832 thousand), a related provision of expense has been made by the Group in its financial statements.

iii) An amount of € 2.94 million approximately concerns a lawsuit filed by an attorney at law, by which it demands payment of the above amount, for legal fees (based on the Greek Code of Legal Practice) arising from the alleged legal handling of the judicial disputes between FM (arising by the absorbed Netmed Hellas S.A.)/Multichoice Hellas S.A.) and against the TV station "ALPHA" (during the period 2002-2006). The First-Instance Court dismissed the lawsuit as unsubstantiated, but the lawyer-plaintiff lodged an appeal, which was heard. The Court of Appeals dismissed the appeal, ratifying the First-Instance Court's judgment.
The lawyer-plaintiff has filed an appeal before the Supreme Court of Cassation (AriosPagos). The scheduling of the hearing date is expected. It is pointed out that the judgment of the Court of Appeals of Athens is sufficiently and properly substantiated (both legally and on its merits) and it does not seem to have been fallen into any substantial error in law.

iv) An amount of € 1.47 million concerns a civil lawsuit of the Greek State (in its capacity as successor of the abolished ERT who has substituted ERT in its rights and obligations as a whole) against the Company by virtue of which it claims the remittance of the above amount as minimum guaranteed financial remittance for the time period November 2011 – November 2012, according to the contract executed between ERT and the Company for the screening through ERT's frequencies of two analogue pay TV channels of the Company. The hearing of the case before the Multi Member Court of First Instance is still pending. The Company challenges the legality of the claim. Additionally, the Company has filed a related civil lawsuit against the Greek State requesting the readjustment of the agreed minimum guarantee according to the appropriate measures (based on article 288 and 388 of the Greek Civil Code) the hearing of which is still pending.

v) An action of the company "EPENDITIKI PALLINIS REAL ESTATE S.A." (formerly "EKPEDEFTIRIA O PLATON S.A."), sub-lender of the property where the defendant tenants, Forthnet Media S.A. and Netmed S.A., are seated in Kantza, Attica, claiming the payment of a total amount of € 0.4 million approximately for the property's maintenance works' expenses, to which the sub-lender shall proceed due to non-fulfillment of the relevant maintenance obligation undertaken by the defendant tenants by power of the lease agreement. The outcome of the case cannot be predicted, since it depends on the proof that the Court shall take into consideration with regards to the existence, the extent, the amount and, mainly, the nature of the damages alleged by the sub-lender, since the defendant companies have already conducted a technical report based on which several of the alleged damages are owed to constructional defects of the property.

For the above case under B (ii), the Group's Management has made a sufficient provision of expense. For other cases of Forthnet Media S.A. the Group has made provision of € 110 thousand.

For the remaining cases the Group's Management estimates that they will not have a material impact on the financial statements or/and that they will have a positive outcome for the Company and therefore has not formed a provision of expense.

C. JUDICIAL CLAIMS OF THIRD PARTIES AGAINST NETMED N.V.

i) The outstanding judicial claims of third parties against the subsidiary Netmed N.V. amount to approximately € 3.45 million, plus interest and legal expenses. The Cypriot based company, LUMIERE TV PUBLIC COMPANY LIMITED is claiming via a lawsuit the abovementioned amount for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by Myriad Development B.V. (before merging by Netmed NV) of 3,528 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, the hearing of which has been scheduled for April 30, 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company "CYPROMAN LTD", which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. No. 5163/2015 judgment of the Court of Appeals of Athens was issued, which, due to the default of LUMIERE, given the submission of its proposals after due date, rejects the appeal of LUMIERE as unsubstantiated.Similarly, the third party intervention of CYPROMAN LTD was rejected as having no subject. Consequently, the first instance judgment 4200/2013 of the Multimember Court of First Instance of Athens, by which the lawsuit of LUMIERE was judged as rejected, has been rendered final, while LUMIERE is entitled to file a stay of default judgment or/and a cassation against the judgment of the Court of Appeals of Athens.

ii) Furthermore, an extrajudicial notice of third party was served against the subsidiary Netmed NV, by which a claim of obligation nature of a third party is notified to the company, arising from a document that bears, according to the assertion of the third party/rights holder, a nature of a procedural guarantee of the company against the third party. The company disputes the validity, effect and binding nature of the specific document. Furthermore, the company, even if it is obliged to pay any amount, is entitled to turn against third parties and seek any paid amounts. Due to the complexity of the issue, we cannot predict whether a litigation will occur, and in the event of a judicial claim, the possible content of it.

D. JUDICIAL CLAIMS OF THIRD PARTIES AGAINST DIKOMO INVESTMENT SARL

The outstanding judicial claims of third parties against the subsidiary DIKOMO INVESTMENT SARL amount to approximately € 1.24 million, plus interest and legal expenses. The Cypriot based company LUMIERE TV PUBLIC COMPANY LIMITED is claiming via a lawsuit the abovementioned amount as a fee for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by DIKOMO INVESTMENT SARL of 1,272 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, the hearing of which took place on April 30, 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company "CYPROMAN LTD", which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. No. 5163/2015 judgment of the Court of Appeals of Athens was issued, which, due to the default of LUMIERE, given the submission of its proposals after due date, rejects the appeal of LUMIERE as unsubstantiated. Similarly, the third party intervention of CYPROMAN LTD was rejected as having no subject. Consequently, the first instance judgment 4200/2013 of the Multimember Court of First Instance of Athens, by which the lawsuit of LUMIERE was judged as rejected, has been rendered final, while LUMIERE is entitled to file a stay of default judgment or/and a cassation against the judgment of the Court of Appeals of Athens.

E. JUDICIAL CLAIMS OF THIRD PARTIES AGAINST TILEDRASI S.A.

The outstanding judicial claims of third parties against the subsidiary TILLEDRASI S.A. amount to approximately € 2.81 million, plus interest and legal expenses. The Cypriot based company LUMIERE TV PUBLIC COMPANY LIMITED is claiming via a lawsuit the abovementioned amount as a fee for the obligatory purchase, pursuant to article 49b of the Greek Law 2190/1920, by TILEDRASI S.A. of 2,872 shares of Multichoice Hellas S.A., which LUMIERE TV PUBLIC COMPANY LIMITED holds. The First-Instance Court dismissed the lawsuit as unsubstantiated. The litigant lodged an appeal, which was heard on April 30, 2015. It is mentioned that during the aforementioned trial date the litigant party submitted a request for postponement, due to third party intervention exercised by the company "CYPROMAN LTD", which asserts that it has acquired the shares of Forthnet Media, which, after the absorption of Multichoice Hellas S.A. due to merger, were held by LUMIERE. The request for postponement was rejected and the litigant submitted proposals, after due date, before the Court of Appeals. No. 5163/2015 judgment of the Court of Appeals of Athens was issued, which, due to the default of LUMIERE, given the submission of its proposals after due date, rejects the appeal of LUMIERE as unsubstantiated. Similarly, the third party intervention of CYPROMAN LTD was rejected as having no subject. Consequently, the first instance judgment 4200/2013 of the Multimember Court of First Instance of Athens, by which the lawsuit of LUMIERE was judged as rejected, has been rendered final, while LUMIERE is entitled to file a stay of default judgment or/and a cassation against the judgment of the Court of Appeals of Athens.

For the above mentioned judicial claims no related provision of expense has been made by the Group in its financial statements as the outcome of these judicial claims cannot be estimated.

<u>Contingent assets from pending judicial cases</u>

The Group and the Company have the following contingent assets arising from open judicial cases:

JUDICIAL CLAIMS OF FORTHNED MEDIA AGAINST THIRD PARTIES

i) A lawsuit against the Greek state (as the successor to the abrogated ERT SA) by which it is requested to be recognised that the company does not owe (from 10 November 2008 otherwise from 10 November 2010 until the end of 2011) the minimum guaranteed financial minimum guarantee of € 2.9 million per year provided in the contract between the former ERT and the company for the transmission of the two (terrestrial) analogue subscriptions of the company via the analogue terrestrial frequencies of the former ERT. In the lawsuit, the company seeks to recognize as the fee for the former ERT only the percentage of subscriptions specified in the contract based on the actual number of its terrestrial analog subscribers (instead of the minimum guarrantee). The case was discussed and a decision is pending.

ii) An amount of totally € 5.57 million plus interest and expenses, concerns a claim of the Company (former Multichoice) against ERT S.A., with a lawsuit that has filed before the Multi-Member Court of First Instance of Athens, as a consideration for the provision, by Multichoice, of services related to the distribution and transmission –through satellite- of the signal of three TV (ET1, NET, ET3) and four radio (NET, ERA 2, ERA 3 and ERA SPORT) ERT channels within the entire Greek territory during the years 2008, 2009, 2010, 2011 and 2012. With the abolition of ERT, the Greek State replaced ERT in its rights and obligations; consequently it will be the litigant party in the specific case. The hearing of the lawsuit has been held and the decision of the Multi-Member Court of First Instance rejected the Company's claim but with a false premise. The Company will appeal.

ii) A lawsuit against "ALPHA DORYFORIKI TILEORASI", by which it is demanded that the defendant is prohibited to proceed to actions of unfair competition and infringe the absolute right of FM, as it arose by the TV Broadcasting Rights Assignment Agreement that FM had concluded with PAE AKRATITOS and the defendant is obliged to pay to FM the amount of € 0.5 million as a compensation for the non-material damage that has been caused to the latter by the unfair and tortuous conduct of "ALPHA DORYFORIKI TILEORASI". The hearing date for the aforementioned lawsuit had been scheduled for the 7th of June 2006, a date on which it was postponed for the 22nd of November 2006, where it was cancelled and rescheduled for April 2, 2008, when it was anew postponed for the 4th of June 2008. After successive postponements, the case was heard on December 12, 2012 and no. 6288/2013 judgment of the Multimember Court of First Instance of Athens was issued, which accepted the lawsuit, awarding in favor of the company the amount of € 0.3 million, including any statutory interest from the service of the lawsuit, as a non-material damage due to the illegitimate, insolvent and opposed to the moral ethics conduct of the defendant. The defendant has lodged an appeal. The hearing of the appeal has been held and the issuance of the decision is awaited.

iv) The Company has filed a recourse (ΠΡ1702/26.02.2018) before the Athens Administrative Court of First Instance against the decision no. E/105 of the General Secretariat of Information of the Ministry of Digital Policy, Telecommunications and Information, issued on 29/12/2017 regarding the fee that FORTHNET MEDIA is alleged to owe for the year 2016 as per the provisions of the Law 2644/1998 and the Concession Contract that FORTHNET MEDIA has signed with the Hellenic Public. Due to the wrong calculation of the fee owed by FORTHNET MEDIA, the latter is called to pay as an annual fee for 2016 – as per the Administration's wrong calculation – the amount of €1.451.750,34 instead of the correct amount of €1.017.824,47. This means that FORTHNET MEDIA is called to pay without any legal base an additional amount of €433.925,87. The hearing of the case is pending for determination by the Athens Administrative Court of First Instance. For the aforementioned amount the Company and the Group have made a provision for expenses for an amount of €433.925,87.

v) An application for annulment by FM before the Hellenic Council of State (Symvoulio tis Epikrateias) (reg. nr. 2128/2.8.2018) together with the relevant application for suspension against the Resolution nr. Φ 20155/25187/Δ.16.624/2.5.2018 of the Vice Minister of Social Security and Social Solidarity "Approval of the Regulation for Revenue Collection of the United Journalists' Organisation for Ancillary Insurance and Treatment (EDOEAP)" and any relevant act or omission, as for the part by which this resolution approves of the Regulation for Revenue Collection of the United Journalists' Organisation for Ancillary Insurance and Treatment (EDOEAP), from the adoption of which and onwards the collection of an employers' contribution of a percentage of 2% on the annual turnover of every entity of par. 1.A of art. 3 of the Law 248/1967, as amended by the Law 4498/2017, became obligatory. This contribution concerns the turnover of the above entities as for the part which stems from the "pure activity or exploitation activity of Mass Media for Information and Entertainment", that is, as per the challenged Resolution, of any entity exploiting or operating an informative or entertaining mass media (television, radio, magazine and newspaper, internet or any other way of business conduct by the entity) as well as on the turnover of any similar activity conducted by such entity that has another main or secondary activity, only for the part of the activity as informative or entertaining media. The reasons for annulment are mainly based on the allegation that this specific provision is anti-constitutional. For the validity and legality of this specific provision, the Hellenic Council of State has not ruled yet, despite the fact that various market participants who suffer from its application have turned against it. The outcome of the case cannot be predicted.

It is noted that the Group has recognized in its annual financial statements the total financial liability arising from the above mentioned employer contribution.

46. SUBSEQUENT EVENTS

During the 9th conversion period of the convertible bond loan, which expired on 30.1.2019, the lending banks exercised conversion rights in the shares of the issuing Company for a total of 8,723,237 convertible bonds. These rights were exercised separately by each of the bondholders. As a result of these conversions, Alpha Bank holds 8,48%, National Bank of Greece 12,14%, Piraeus Bank 15,11% and Attikis Bank 0,46% in the Company's share capital.

Furthermore, with the decision of the Greek NRA, which has also the approval of the European Union, the Company is preparing to enter the mobile telephony market as a Mobile Virtual Network Operator (MVNO). The Company's appeal on July 2016 was fully adopted by the Greek NRA and the European Commission, since the maximum prices set by both of them allowed - for the first time in Greece - the existence of a viable MVNO model.

Apart from the above mentioned, there are no other significant events subsequent to December 31, 2018 which would influence materially the Group's and the Company's financial position.

Iraklio, 25/4/2019

President of the Board of Directors	Vice President of the Board of Directors and Chief Executive Officer
Deepak Srinivas Padmanabhan Passport No. Z 3839126	**Panagiotis Papadopoulos** I.D. Number Σ 676330

Finance Director	Accounting, Reporting & Tax Senior Manager	Accounting & Tax Manager
Dimitris Tzelepis ID Number AK 737381	**Grigoris Sandalidis** ID Number AE 135454 License Number O.E.E. 0117581 A' Class	**Giorgos Vlachakis** ID Number AI 000105 License Number O.E.E. 0097739 A' Class

WEBSITE OF UPLOADED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

The annual separate and consolidated financial statements of the Company, the Auditor's report and the Reports of management are registered on the internet in the address www.forthnet.gr

The financial statements of the consolidated companies are registered on the internet in the address www.forthnet.gr