Forthnet

Interim Financial Report

For the period
1 January 2018 to 30 June 2018

According to article 5 of the Law 3556/2007

Forthnet S.A.
Registration Number S.A. 34461/06/B/95/94
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Contents to the Interim Financial Report

STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

The following statements, which are effected in accordance with article 5 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. Panagiotis Papadopoulos of George, resident of Pallini Attica, 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, and in particular 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 interim condensed financial statements of the Company and the Group of the societe anonyme company under the name "Hellenic Company of Telecommunications and Telematic Applications Societe Anonyme" and trade title "Forthnet S.A." for the period from January 1, 2018 to June 30, 2018, which were compiled according to the applicable International Financial Reporting Standards, provide a true and fair view of the assets and the liabilities, the equity and the results of the period of the Company, as well as the companies' which are included in the consolidation, according to that stated in paragraphs 3 to 5 of article 5 of the L.3556/2007 and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

(b) the six-month Report of the Board of Directors of the Company provide a true and fair view 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 paragraph 6 of article 5 of the L. 3556/2007, and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

Iraklion, September 25, 2018

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 INTERIM CONDENSED FINANCIAL STATEMENTS

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 5, law 3556/2007 and refers to the Interim Condensed Financial Statements (Consolidated and) for the period January 1, 2018 to June 30, 2018.

The Board of Directors report includes an analysis of the Company's financial performance for the period from January 01, 2018 to June 30, 2018,, the significant events which took place in the first half of 2018, a presentation of the principal risks and uncertainties for the second half of 2018, and the Group's and the Company's significant transactions with related parties.

1. Performance and Key Financial Highlights

- Group EBITDA increased during H1 2018 by 11.4%, compared to H1 2017, and reached €17.9 million – The total Group revenues for the period amounted to €144.4 million,
- Group revenues from Corporate Clients increased by 4.6% and from Advertising by 6.1%,
- The Group has 952k retail subscriptions, serves 672K unique households, providing broadband to 556K customers and Pay TV to 396K retail customers,
- Demand and subscriber base continue to be negatively affected by the over-taxation as well as the low disposable income of consumers.
- The Group signed bilateral agreements with 9 Super League clubs which will lead to a 25% Greek football rights cost reduction,
- The Group's premium sports content is significantly enhanced with the addition of the Italian football championship,

The Group's Chief Executive Officer, Mr. Panos Papadopoulos noted:

"In spite of the continuous pressure on consumers' disposable income and the over-taxation burdening the markets in which we are operating, we managed to improve our EBITDA for the first semester of the year by 11.4% through the implementation of our restructuring plan.

Following the termination of the collective management rights agreement with the Greek football Super League and the conclusion of bilateral commercial contracts with nine clubs - which include the most attractive commercially and competitive ones - we achieved significant cost savings for the next season 2018/2019, while also securing the Italian football championship for our subscribers.

Also, our strategic decision for wholesale distribution of our premium sports and cinematic content to final consumers, through more Pay TV providers in Greece and Cyprus, is starting to bear fruit.

Finally, with the continuing upgrade of our OTT services (Nova GO, Nova On Demand) we are further enhancing the total customer experience, while the recent launch of the NOVA Energy services, signifies our efforts to cover in an integrated manner the needs of Greek households."

Bundling Services/3Play

At the end of the first half of 2018, Forthnet served 279.7K households with Nova 3play/bundled services. The share of Nova 3Play subscriptions in total Households stood at 41.6%.

	6M 2018	6M 2017	Variance
Households with 3play/Bundled Services	279,666	296,150	-5.6%
Households with 3play/Bundled Services as % of total	41.6%	42.2%	-0.6p.p.

Telecommunication Services

At the end of the first half of 2018 our LLU customers stood at 542.2K.

	6M 2018	6M 2017	Variance
Broadband subscribers[1]	555,500	572,306	-2.9%
Active LLU customers	542,216	557,106	-2.7%
LLURatio	97.6%	97.3%	+0.3p.p.
LLU market share	25.7%	26.5%	-0.8p.p.

Pay TV Services

At the end of the first half of 2018, our Retail and Wholesale Pay TV subscriber base stood at 396.3K and 66.7K respectively.

	6M 2018	6M 2017	Variance
Retail Pay TV customers in Greece & Cyprus	396,375	425,945	-6.9%
Wholesale Pay TV customers in Greece & Cyprus[2]	66,739	49,881	+33.8%

Financial Highlights for the first half of 2018

Consolidated revenues for the first half of 2018 amounted to € 144.4 million, decreased compared to the first half of 2017, due to the decline in consumer spending and the conservative approach in our commercial policy as well as due to the decrease in our subscriber's base. Revenue from advertising improved by 6.1% as a result of the continuously upgraded content of Nova's TV program, and revenue from Corporate customers increased by 4.6%.

in 000€	6M 2018	6M 2017	Variance
Total Retail	**100,436**	**110,583**	**-9.2%**
Telco Retail	54,733	59,082	-7.4%
Pay TV Retail	45,703	51,500	-11.3%
Total Business	**29,517**	**28,227**	**4.6%**
Telco Business	17,371	18,940	-8.3%
Pay TV Business	12,146	9,287	30.8%
Advertising	5,187	4,888	6.1%
Other revenues	9,214	5,656	62.9%
Total revenues	**144,354**	**149,354**	**-3.3%**

EBITDA for the first half of 2018 amounted to €17.9 million, compared to €16.1 million in the first half of 2017, mainly benefited by the continuous improvement in our operation costs and despite the reduction in prices and the adverse economic climate.

In 000€	6M 2018	6M 2017	Variance
Revenues including other income	144,354	149,353	-3.3%
EBITDA	17,933	16,100	+11.4%
EBITDA margin	12.4%	10.8%	+1.6p.p.

[1] Active and under activation subscribers

[2] Total wholesale subscribers in Greece and Cyprus (Vodafone, Wind, Cyta Cyprus, Cablenet, MTN and Primetel)

It is noted that the EBITDA ratio (the ratio of operating profits before interest, tax, depreciation / amortization and impairment charges) was calculated as follows:

	The Group	
	01.01-30.06.2018	01.01-30.06.2017
Revenues	143,586,742	148,445,539
Other income	767,090	907,694
Operating expenses before depreciation and impairment of investments	(125,949,641)	(132,643,927)
Less grants amortization	(471,366)	(609,547)
EBITDA	**17,932,825**	**16,099,759**

It is noted that "Operating Expenses before depreciation and impairment of investments" are analyzed as follows:

	The Group	
	01.01 - 30.06.2018	01.01. - 30.06.2017
Telecommunications costs	(40,357,534)	(42,731,451)
Royalties and licenses	(36,420,071)	(40,597,129)
Cost of sales of inventory and consumables	(911,726)	(1,305,784)
Advertising and promotion costs	(2,369,622)	(2,852,551)
Payroll and related costs	(18,282,781)	(19,069,260)
Sundry expenses	(27,607,907)	(26,087,752)
Operating expenses before depreciation and impairment of investments	**(125,949,641)**	**(132,643,927)**

Total Bank debt as at June 30, 2018 amounted to € 257.5 million and is increased compared to December 31, 2017 by € 1.3 million (December 31, 2017: € 256.2 million). The aforementioned amounts exclude the convertible bond loan.

2. Significant events for the 1st half of 2018

Content Rights

During the 1st semester of 2018, Nova:

- Following the early termination of the Collective Rights Management Agreements with Super League (the organising authority of the Men's 1st Division Greek Football Championship), given that the license fee paid for these rights did not correspond to the actual value of this asset, 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 three of the most popular Greek teams (AEK, Olympiacos and PAOK), maintained 75%-80% of the commercial value of the whole Greek football asset and substantially decreased the acquisition cost for the Greek football product.
- Furthermore, Nova acquired the exclusive broadcasting rights for the teritory of Greece of the famous and top tier Italian football Championship (Serie A). Serie A is one of the most highly viewed football championships all over the world.
- Moreover, Nova platform renewed its agreement for the exclusive broadcasting rights of the renowned French Football Championship (Ligue 1) and it succeeded, also, in adding the media rights for the French Cup, the French League Cup and the French Supercup.
- In addition to the above, the Company acquired the exclusive media rights not only for the Austrian Bundesliga and the Swedish football Championship, but, also for the Russian and Turkish Football Cup, thus reinforcing the available choices for its customers.
- Nova, also, maintained its existing agreements for the exclusive broadcasting of properties, which constitute part of its sports content portfolio, such as the leading European basketball teams' competition «Euroleague Basketball», the newly formed basketball competition of FIBA «Basketball Champions League», the most renowned and iconic tennis tournament of The Wimbledon Championships, the Dutch Football Championship

(Eredivisie), the English League Cup, as well as the second division championship of England, currently known as EFL-Sky Bet Championship etc.

- Finally, Nova extended its partnership for the airing of the top international summer football tournament "International Champions Cup 2018".
- With regards to premium films and other entertainment content, Nova extended the multi-year partnership with HBO, the greatest TV content, production & distribution company in the US, securing the "Game of Thrones" grand finale, but also the sequels of other very popular blockbuster series like Big Little Lies, Westworld, etc.
- Nova extended also, the multi-year partnership with Twentieth Century Fox, one of the Majors of Hollywood, for 1st Pay content, exclusively in Greece & Cyprus.
- Nova continued the multi-year collaboration with Spentzos Film, with new packages of 1st Pay content, securing this way the 2 strongest local distributors in the market for 1st Pay content, exclusively for Greece & Cyprus (Odeon is the other one).
- Nova continued to offer to its subscribers a variety of 1st Pay TV Films & Series, on an exclusive basis, from other Major Studios & productions companies of Hollywood, as well as from several mini-majors & other international content providers, as well as local distributors.
- As part of the overall agreement reached between Nova & MGM at the end of 2017, the Company secured for the Nova subscribers and on a Pay 1 exclusive basis the very successful new series The Handmaid's Tale, which had more than 40 wins & nominations, including 8 Emmy Awards, 2 Golden Globes, etc.
- Nova renewed its long partnership with the famous channels of the Discovery Group, offering an enhanced experience to its subscribers with the popular documentaries of Discovery channels & Animal Planet, but also with the sports content that only the Eurosport channels can provide. The Company also expanded the agreement with the DCEL group by securing new set of rights for an on demand experience, on Nova ondemand and Nova go services.
- As per several years of practice, Nova launched an additional cinema channel, the Awards channel, and its subscribers could enjoy for 2 months the best movies that have achieved distinctions at the global awards ceremonies like the Golden Globes, SAG, BAFTA, Oscars, or at the famous film festivals like Cannes, Berlin, Venice, Salonica.
- Especially for May 2018, Nova launched a new thematic channel, the Nova X-Men HD channel, based on the famous heroes of Marvel, X-MEN, where for the 1st time all 9 movies aired together, satisfying this way the fans of the franchise.
- Finally, for summer 2018, Nova prepared a special tribute to "Total Spies" with a dominating Daniel Craig as James Bond, together with other blockbusters of this genre, offering this way to nova subscribers the absolute James Bond on demand experience for June 2018.
- In parallel, Nova continued to enhance the content offered on Nova ondemand service, with new categories, monthly tributes, kids zone, box sets of series, etc.

Network Development and Investments

During first half of 2018, Forthnet:

- Upgraded its international link capacity, reaching a total of 210 Gbps at the end of 1st half of 2018. The capacity for Content Delivery Network (CDN) services in Athens and Thessaloniki (Google, Akamai, Facebook, Netflix) upgraded to 200Gbps.
- 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 25 Local Exchanges by implementing the appropriate interconnections with OTE.
- 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.
- 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.

Innovation and New Services

During the 1st semester of 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.
- In parallel, further enriched Nova On Demand and Nova go services with additional content from Nick Jr, E! entertainment and documentaries from National Geographic.
- On June 2018, Forthnet launched Nova Energy, further enhancing its bundled services offering a total solution for communication, entertainment and economy.
- Certified by MANRS for the application in the network of routing security and attacks protection norms (spoofing, hijacking, DDoS).
- Proceeded to the provision of new advanced CPE in services addressing Small Medium Enterprises.

3. Prospects for the 2nd half of 2018

For the second half of 2018, Management's main priorities and strategic directions remain unchanged, supporting 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. 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 the second half of 2018, 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 growth of the subscription base will be continued by offering high-quality services adapted to the needs of Greek families in terms of communication, home entertainment and economy. More specifically:
- enhance Nova 3play services with add-ons which will improve the overall customer experience.
- 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 developing new 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).

The NovaGO service is a key tool for content broadcast services using the Internet (Over the Top); NovaGO is 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 the second half of 2018 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.

Investments
Investments planned for the second half of 2018 aim at improving and safeguarding the services offered, as well as creating infrastructure for the provision of new services. More specifically:
- Upgrade the security services for effective protection against even larger cyber-attacks,
- Extend the coverage for the provision of VDSL services,
- Development of 100G DWDM links in the north network segment (Thessaloniki – Sofia) in order to efficiently cover the increased needs of international interconnections and the demand of high-speed international services to enterprise customers,
- Upgrade the software of DWDM network ensuring the smooth operation and the provision of new services with higher speeds,

- Modernize of the FWA backbone network with new equipment of higher capacity, leading at the same time to the reduction of yearly licensing fee,
- Redesign the voice services addressing enterprise customers,
- Enhance the service continuity with the installation of additional power generators and the replacement of backup batteries in local exchanges,
- Redesign and upgrade of network and security infrastructure in enterprise customers datacenter (EXAE) in order to develop new and further secure the services portfolio.

Finally, for the rest 2018, the Group 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 the 2nd half of 2018

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 June 30, 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 concerning the possibility of continuation of the activity carried out by 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 € 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 interim condensed financial statements, "Continuation of Activity"), cash needs in working capital as well as for repayment of financing obligations for the 12 months following the signing of these interim condensed financial statements will amount to approximately €28.0 million and €19 million respectively. 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.

  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 €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 and with 31/12/2018 as the date of deposit of the first debt service installment, 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 and with 31/12/2018 as the date of deposit of the first debt service installment, 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 Codified Law 2190/1920 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, 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. 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 with related companies are as follows:

Related Party	**Relation with the Group**	**Period ended at**	**Sales to related parties**	**Purchases from related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2018	1,241,856	1,245,333
		30.06.2017	925,887	1,511,891
Vodafone S.A.	Shareholder	30.06.2018	2,253,621	1,003,210
		30.06.2017	483,748	1,065,129
Technology and Research Foundation	Shareholder	30.06.2018	16,640	42,450
		30.06.2017	30,708	410
Alpha Bank SA	Shareholder	30.06.2018	101,049	60,302
		30.06.2017	-	-
National Bank of Greece SA	Shareholder	30.06.2018	75,511	79,730
		30.06.2017	-	-
Piraeus Bank SA	Shareholder	30.06.2018	657,972	2,065
		30.06.2017	-	-
Attika Bank SA	Shareholder	30.06.2018	15,878	-
		30.06.2017	-	-
Vodafone Ltd.	Related Party	30.06.2018	846,275	465,651
		30.06.2017	779,901	884,421
Cablenet Ltd	Related Party	30.06.2018	3,060	27,600
		30.06.2017	2,815	35,250
Total 30.06.2018			**5,211,861**	**2,926,341**
Total 30.06.2017			**2,223,059**	**3,497,101**

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

Related Party	**Relation with the Group**	**Period / Year ended at**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2018	207,057	354,809
		31.12.2017	340,203	602,645
Vodafone S.A.	Shareholder	30.06.2018	197,284	280,375
		31.12.2017	267,468	511,692
Technology and Research Foundation	Shareholder	30.06.2018	37,839	25,061
		31.12.2017	34,267	3,500
Lumiere Productions A.E.	Shareholder	30.06.2018	-	6,378
		31.12.2017	-	6,378
Lumiere Cosmos Communications	Shareholder	30.06.2018	-	10
		31.12.2017	-	10
Alpha Bank SA	Shareholder	30.06.2018	67,608	79
		31.12.2017	41,709	15,264
National Bank of Greece SA	Shareholder	30.06.2018	91,943	222,671
		31.12.2017	23,061	247,458

Piraeus Bank SA	Shareholder	30.06.2018	190,554	2,560
		31.12.2017	65,717	-
Attika Bank SA	Shareholder	30.06.2018	1,247	-
		31.12.2017	1,223	-
Vodafone Ltd.	Related Party	30.06.2018	493,315	-
		31.12.2017	112,690	-
Cablenet Ltd	Related Party	30.06.2018	2,040	9,200
		31.12.2017	1,020	4,600
Hellas Online	Related Party	30.06.2018	11	118
		31.12.2017	11	117
Telemedicine Technologies S.A.	Associate	30.06.2018	3,733	-
		31.12.2017	3,734	-
Athlonet A.E.	Associate	30.06.2018	11,502	8,060
		31.12.2017	11,502	8,060
Total 30.06.2018			**1,304,133**	**909,321**
Total 31.12.2017			**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).
- The cost from Cablenet Ltd relates to leased lines.

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

Related Party	**Relation with the Company**	**Period ended at**	**Sales to related parties**	**Purchases from related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2018	341,046	1,210,012
		30.06.2017	925,887	1,474,679
Vodafone S.A.	Shareholder	30.06.2018	472,960	1,001,752
		30.06.2017	465,566	1,063,240
Technology and Research Foundation	Shareholder	30.06.2018	16,640	42,450
		30.06.2017	30,708	410
Alpha Bank SA	Shareholder	30.06.2018	101,049	59,885
		30.06.2017	-	-
National Bank of Greece SA	Shareholder	30.06.2018	75,357	51,999
		30.06.2017	-	-
Piraeus Bank SA	Shareholder	30.06.2018	658,559	2,065
		30.06.2017	-	-
Attika Bank SA	Shareholder	30.06.2018	15,878	-
		30.06.2017	-	-
Vodafone Ltd.	Related Party	30.06.2018	846,275	465,651
		30.06.2017	779,901	884,421
Cablenet Ltd	Related Party	30.06.2018	3,060	27,600

		30.06.2017	2,815	35,250
Forth CRS S.A.	Subsidiary	30.06.2018	53,341	79,268
		30.06.2017	42,597	61,771
Forthnet Media S.A.	Subsidiary	30.06.2018	2,663,529	400,021
		30.06.2017	3,869,588	467,578
NetMed S.A.	Subsidiary	30.06.2018	40,824	1
		30.06.2017	57,556	-
Total 30.06.2018			**5,288,518**	**3,340,704**
Total 30.06.2017			**6,174,618**	**3,987,349**

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

Related Party	**Relation with the Company**	**Period / Year ended at**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2018	207,039	347,310
		31.12.2017	340,184	599,279
Vodafone S.A.	Shareholder	30.06.2018	197,284	279,773
		31.12.2017	267,468	511,586
Technology and Research Foundation	Shareholder	30.06.2018	37,359	25,096
		31.12.2017	33,787	3,533
Alpha Bank SA	Shareholder	30.06.2018	67,608	439
		31.12.2017	41,705	15,606
National Bank of Greece SA	Shareholder	30.06.2018	91,603	222,672
		31.12.2017	22,894	247,459
Piraeus Bank SA	Shareholder	30.06.2018	191,378	2,560
		31.12.2017	65,607	-
Attika Bank SA	Shareholder	30.06.2018	1,247	-
		31.12.2017	299	-
Vodafone Ltd.	Related Party	30.06.2018	493,314	-
		31.12.2017	112,690	-
Cablenet Ltd	Related Party	30.06.2018	2,040	9,200
		31.12.2017	1,020	4,600
Telemedicine Technologies S.A.	Associate	30.06.2018	3,734	-
		31.12.2017	3,734	-
Άθλονετ Α.Ε.	Associate	30.06.2018	11,502	8,060
		31.12.2017	11,502	8,060
Forth CRS S.A.	Subsidiary	30.06.2018	23,635	9,035
		31.12.2017	-	52,804
Forthnet Media S.A.	Subsidiary	30.06.2018	98,572,434	6,306,362
		31.12.2017	99,925,647	3,775,097
NetMed S.A.	Subsidiary	30.06.2018	917,342	51,706
		31.12.2017	866,721	16,014
Intervision Services BV	Subsidiary	30.06.2018	278,093	-
		31.12.2017	278,094	-
Total 30.06.2018			**101,095,612**	**7,262,213**
Total 31.12.2017			**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.

Salaries and fees for the members of the Board of Directors and the General Managers of the Group as at June 30, 2018 and 2017 are analyzed as follows:

	The Group		**The Company**	
	01.01-30.6.2018	**01.01-30.6.2017**	**01.01-30.6.2018**	**01.01-30.6.2017**
Salaries and fees for executive members of the BoD	149,042	244,116	149,042	244,116
Salaries and fees for non-executive members of the BoD	176,667	163,587	176,667	163,587
Salaries and fees for senior managers	869,783	1,084,798	502,395	670,566
Total	**1,195,492**	**1,492,501**	**828,104**	**1,078,269**

It is noted that the above figure "Salaries and fees for senior managers" includes benefits relating to leaving indemnities which amounted to € 61,589 for both the Group and the Company (June 30, 2017: € 46,699 for both the Group and the Company).

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and Management relating to social security amounted to € 38,019 for the Group and € 24,511 for the Company respectively (June 30, 2017: € 29,558 for the Group and € 27,511 for the Company respectively).

Iraklio, 25 September 2018

Deepak Srinivas Padmanabhan

President

Of the Board of Directors

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

REPORT ON THE REVIEW OF THE INTERIM CONDENSED FINANCIAL INFORMATION

To the Shareholders of the Company "HELLENIC COMPANY FOR TELECOMMUNICATIONS AND TELEMATIC APPLICATIONS S.A. (Forthnet S.A.)"

Introduction

We have reviewed the accompanying interim condensed separate and consolidated statement of financial position of the Hellenic Company for Telecommunications and Telematic Applications S.A. ''Forthnet S.A.'' (the "Company") and its subsidiaries (the "Group"), as at June 30, 2018, and the related interim condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the six-month financial report of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

We draw attention to Note 7 to the interim condensed separate and consolidated financial statements which indicates that, at June 30, 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, and were accordingly classified as current as of that date and, (b) the Company's and Group's current liabilities exceeded their current assets. 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. As further discussed in Note 7 (i), the Company's and Group's ability to complete the refinancing of their entire contractual obligations under their loan agreements and, (ii) the Company's and the Group's working capital sufficiency, cannot be assured, while an additional uncertainty exists associated with the current economic situation in Greece. 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 interim condensed 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 conclusion is not modified in respect of this matter.

Report on other legal requirements

Our review has not identified any inconsistency between the other information contained in the six-month financial report prepared in accordance with article 5 Law 3556/2007 with the accompanying interim condensed financial information.

Athens, September 25, 2018

Chris Pelendridis

S.O.E.L. R.N. 17831

ERNST &YOUNG (HELLAS)

Certified Auditors Accountants S.A.

8B Chimarras str.

GR 151 25 Maroussi, Athens

SOEL REG. No. 107

INTERIM CONDENSED FINANCIAL STATEMENTS

(consolidated and separate)

For the period from January 01, 2018 to June 30, 2018

In accordance with the International Financial Reporting Standards

as adopted by the European Union

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	The Group		The Company	
		01.01-30.6.2018	**01.01-30.6.2017 ***	**01.01-30.6.2018**	**01.01-30.6.2017 ***
Revenues	9	143,586,742	148,445,539	79,164,623	82,581,556
Telecommunications costs		(40,357,534)	(42,731,451)	(40,314,050)	(42,731,450)
Royalties and licenses	17	(36,420,071)	(40,597,129)	-	-
Cost of sales of inventory and consumables		(911,726)	(1,305,784)	(703,930)	(790,990)
Advertising and promotion costs		(2,369,622)	(2,852,551)	(326,527)	(553,344)
Payroll and related costs		(18,282,781)	(19,069,260)	(10,247,146)	(10,562,605)
Sundry expenses	10	(27,607,907)	(26,087,752)	(17,212,683)	(16,014,974)
Impairment of investments in subsidiaries		-	-	-	(9,133,000)
Other income		767,090	907,694	696,089	1,105,364
Depreciation and amortisation		(30,067,294)	(30,281,723)	(12,122,498)	(13,811,936)
Financial income		8,588	1,780,898	33,475	14,552
Financial expenses		(8,125,897)	(9,140,234)	(2,443,063)	(3,505,422)
Loss before income taxes		**(19,780,412)**	**(20,931,753)**	**(3,475,709)**	**(13,402,249)**
Income taxes	11	2,388,263	2,358,047	169,801	(162,111)
Loss after taxes		**(17,392,149)**	**(18,573,706)**	**(3,305,908)**	**(13,564,360)**
Loss for the period attributable to:					
Shareholders of the Parent Company		(17,245,089)	(18,430,314)	(3,305,908)	(13,564,360)
Non-controlling interests		(147,060)	(143,392)	-	-
		(17,392,149)	**(18,573,706)**	**(3,305,908)**	**(13,564,360)**
Loss per share (Basic and diluted)		**(0.1053)**	**(0.1674)**	**-**	**-**
Weighted Average Number of Shares (Basic)		163,838,473	110,097,328	-	-
Weighted Average Number of Shares (Diluted)		163,838,473	110,097,328	-	-
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		-	-	-	-
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		-	-	-	-
Total comprehensive loss for the period		**(17.392.149)**	**(18.573.706**	**(3.305.908)**	**(13.564.360)**
Total comprehensive loss for the period attributable to:					
Shareholders of the Parent Company		(17,245,089)	(18,430,314)	(3,305,908)	(13,564,360)
Non-controlling interests		(147,060)	(143,392)	-	-
		(17,392,149)	**(18,573,706)**	**(3,305,908)**	**(13,564,360)**

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	The Group		The Company	
		30.6.2018	31.12.2017 *	30.6.2018	31.12.2017 *
ASSETS					
Non-current assets					
Property, plant and equipment	12	87,819,633	97,895,793	52,883,361	57,817,965
Intangible assets	13	81,375,711	96,071,870	12,269,478	15,847,920
Contracts cost	5	32,734,014	-	10,486,161	-
Goodwill	15	83,168,812	83,168,812	512,569	512,569
Investments in subsidiaries	16	-	-	8,137,279	8,137,279
Other non-current assets	5	3,033,835	8,655,911	553,291	6,427,770
Assets from Contracts with Customers	5	5,785,864	-	5,785,864	-
Other financial assets		374,600	374,600	248,394	248,394
Deferred tax assets		8,829,995	10,039,539	913,317	2,731,208
Total non-current assets		**303,122,465**	**296,206,525**	**91,789,714**	**91,723,106**
Current assets					
Inventories		3,163,276	2,972,653	348,136	694,343
Programme and film rights	17	13,234,713	37,609,921	-	-
Trade accounts receivable	18, 5	39,898,254	51,961,784	21,274,209	30,489,928
Assets from Contracts with Customers	5	12,476,678	-	11,271,416	-
Prepayments and other receivables		6,768,337	6,434,390	4,022,881	4,152,196
Due from related companies	23	1,304,133	902,605	101,095,612	101,971,352
Cash and cash equivalents		2,646,200	2,603,540	1,428,078	1,750,073
Restricted cash		5,370,874	6,996,217	5,368,219	6,993,558
Total current assets		**84,862,466**	**109,481,110**	**144,808,551**	**146,051,450**
TOTAL ASSETS		**387,984,930**	**405,687,635**	**236,598,266**	**237,774,556**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	19	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		192,158,518	192,145,413	191,960,308	191,960,308
Accumulated deficit		(726,976,283)	(730,781,218)	(510,599,962)	(510,699,925)
Total		**(185,162,467)**	**(188,992,018)**	**31,015,644**	**30,904,170**
Non-controlling interests		(2,917,078)	(2,928,377)	-	-
Total equity		**(188,079,545)**	**(191,920,395)**	**31,015,644**	**30,904,170**
Non current liabilities					
Long-term borrowings	20	42,004,880	41,071,527	42,004,880	41,071,527
Long-term transponder leases		34,900,966	41,092,076	-	-
Other long-term leases		146,149	254,773	146,149	254,773
Other long-term liabilities	5	17,574,442	26,843,153	475,124	7,226,183
Reserve for staff retirement indemnities		4,395,230	4,423,878	2,505,695	2,494,079
Liabilities from Contracts with Customers	5	7,256,882	-	6,970,196	-
Government grants		3,930,710	4,402,077	3,930,710	4,402,077
Deferred tax liability		18,379,555	20,158,222	-	-
Total non-current liabilities		**128,588,814**	**138,245,706**	**56,032,754**	**55,448,639**
Current liabilities					
Trade accounts payable		96,888,086	96,099,702	32,502,868	34,760,912
Due to related companies	23	909,321	1,399,724	7,262,213	5,234,038
Short-term borrowings	20	2,495,218	1,198,566	38,400	-
Current portion of long-term borrowings	20	255,000,000	255,000,000	78,461,538	78,461,538
Liabilities from Contracts with Customers	5	21,546,675	-	12,161,613	-
Deferred income	5	-	23,078,262	-	11,472,978
Current portion of transponder leases		12,161,384	11,727,821	-	-
Current portion of other leases		216,435	214,819	216,435	214,819
Current portion of programmes and film rights obligations	21	21,938,690	44,544,597	5,400,515	13,017,921
Income tax payable		1,691,764	1,738,338	503,790	551,738
Accrued and other current liabilities	22	34,628,088	24,360,495	13,002,496	7,707,803
Total current liabilities		**447,475,661**	**459,362,324**	**149,549,868**	**151,421,747**
Total liabilities		**576,064,475**	**597,608,030**	**205,582,622**	**206,870,386**
TOTAL EQUITY AND LIABILITIES		**387,984,930**	**405,687,635**	**236,598,266**	**237,774,556**

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

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	Attributable to equity holders of the parent company					*Non-controlling*	*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	195,582,560	(701,356,437)	**(172,245,676)**	(2,652,562)	**(174,898,238)**
Share capital increase	7,737	-	(2,095)	-	**5,642**	-	**5,642**
Total comprehensive loss after income taxes of the	-	-	-	(18,430,314)	**(18,430,314)**	(143,392)	**(18,573,706)**
Total Equity at June 30, 2017	**33,036,893**	**300,499,045**	**195,580,465**	**(719,786,751)**	**(190,670,348)**	**(2,795,954)**	**(193,466,302)**
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)	-	-	-	21,063,169	**21,063,166**	158,360	**21,221,526**
Other movements	-	-	13,105	(13,142)	**(37)**	-	**(37)**
Share capital increase	11,511	-	-	-	**11,511**	-	**11,511**
Total comprehensive loss after income taxes of the	-	-	-	(17,245,089)	**(17,245,089)**	(147,060)	**(17,392,149)**
Total Equity at June 30, 2018	**49,156,253**	**300,499,045**	**192,158,518**	**(726,976,280)**	**(185,162,467)**	**(2,917,077)**	**(188,079,544)**

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**
Share capital increase	7,737	-	(2,095)	-	**5,642**
Total comprehensive loss after income taxes of the year	-	-	-	(13,564,360)	**(13,564,360)**
Total Equity at June 30, 2017	**33,036,893**	**300,499,045**	**194,912,589**	**(489,278,503)**	**39,170,024**
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**
Share capital increase	11,511	-	-	-	**11,511**
Total comprehensive loss after income taxes of the year	-	-	-	(3,305,908)	**(3,305,908)**
Total Equity at June 30, 2018	**49,156,253**	**300,499,045**	**191,960,308**	**(510,599,962)**	**31,015,644**

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

INTERIM CONDENSED CASH FLOW STATEMENT

	Note	The Group		The Company	
		01.01-30.6.2018	01.01-30.6.2017 *	01.01-30.6.2018	01.01-30.6.2017 *
Cash flows from Operating Activities					
Loss before income taxes		(19,780,412)	(20,931,753)	(3,475,709)	(13,402,249)
Adjustments for:					
Depreciation and amortization		30,067,291	30,281,723	12,122,498	13,811,936
Amortization of subsidies		(471,366)	(609,547)	(471,366)	(609,547)
(Gain) / loss from the sale of tangible and intangible assets		(171,165)	(78,014)	(202,264)	(202,475)
Financial (income)/expenses		8,117,309	7,359,336	2,409,588	3,490,870
Impairment of investments in subsidiaries		-	-	-	9,133,000
Allowance for doubtful accounts receivable		2,373,476	3,492,294	1,421,492	1,816,631
Provision for staff retirement indemnities		546,314	674,427	-	-
Other provisions		(85,984)	12,847	(44,208)	7,283
Operating profit before working capital changes		20,595,463	20,201,313	11,760,030	14,045,449
(Increase)/Decrease in:					
Inventories		(104,638)	1,648,987	390,415	657,680
Trade accounts receivable & amounts due from related companies & assets from contracts with customers		(3,877,963)	(5,244,127)	(2,370,433)	(6,100,090)
Programme and film rights		24,375,208	25,580,501	(7,617,406)	(6,651,778)
Prepayments and other receivables		(569,663)	(1,240,235)	81,367	(354,448)
Decrease in other non-current assets		80,604	398,419	333,003	336,590
(Increase)/Decrease in:					
Trade accounts payable and amounts due from related companies		22,419,927	(14,498,716)	(229,869)	7,061,073
Deferred income & Liabilities from contracts with customers		(3,442,253)	(3,554,678)	(465,418)	(993,310)
Accrued and other current liabilities		5,926,455	(145,337)	4,313,400	2,514,408
Income taxes paid		-	-	-	-
Payment of staff retirement indemnities		(574,962)	(671,486)	11,616	(16,683)
Decrease in other long-term liabilities		3,194,601	(1,164,293)	(399,090)	(397,143)
Net cash from Operating Activities		16,793,723	21,310,348	5,807,614	10,101,748
Cash flow from Investing activities					
Capital expenditure for property, plant and equipment and intangible assets		(11,538,218)	(14,685,631)	(7,202,906)	(9,254,879)
Sale of tangible and intangible assets		171,166	171,166	-	-
Interest and related income received		8,588	14,769	33,475	14,552
Restricted cash		1,625,343	(35,843)	1,625,339	(35,839)
Net cash used in Investing Activities		(9,733,121)	(14,535,539)	(5,544,092)	(9,276,166)
Cash flows from financing activities					
Share Capital increase		11,511	-	-	-
Increase in short term borrowings	20	1,296,200	-	38,400	-
Interest rate swap paid		-	(106,616)	-	-
Interest and other finance costs paid		603,945	(2,858,730)	(513,721)	(1,578,550)
Net change in leases		(7,710,196)	(6,930,056)	(110,196)	(110,059)
Net cash used in financing activities		(7,017,941)	(9,895,402)	(585,517)	(1,688,609)
Net decrease in cash and cash equivalents		**42,660**	**(3,120,593)**	**(321,995)**	**(863,027)**
Cash and cash equivalents at the beginning of the year		2,603,540	4,922,740	1,750,073	1,741,988
Cash and cash equivalents at the end of the year		**2,646,200**	**1,802,147**	**1,428,078**	**878,961**

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 INTERIM CONDENSED FINANCIAL STATEMENTS

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 in 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.

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.

Effective October 2000, Forthnet's shares were listed on the Athens Exchange. On November 24, 2011 the Board of Directors of the Athens Exchange decided to place the Company's shares "Under Surveillance Segment" based on the fact that the fiscal year 2010 losses were greater than 30% of its equity.

Companies participating directly (by more than 5%) in the share capital of the Company at June 30, 2018 and December 31, 2017 are as follows:

	% Participation 30.06.2018	% 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%
VODAFONE PANAFON AEET	4.37%	4.37%
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 June 30, 2018, amounted to 1,066, while that of the Company to 637. At June 30, 2017, the respective number of employees was 1,167 for the Group and 691 for the Company. It is noted that the aforementioned numbers concern Full Time Equivalent – FTEs and not the absolute number of staff (head count).

The consolidated financial statements include the financial statements of Forthnet S.A. and the following subsidiaries which Forthnet controls directly or indirectly:

Name of the Entity	Incorporation Date	Main Operations	Country	Group % ownership	
				30.06.2017	31.12.2017
Forth-CRS S.A.	18/02/2000	Electronic Reservation Services	Greece	99.31%	99.31%
Forth-CRS ITALIA S.R.L.	29/9/2015	Electronic Reservation Services	Italy	100%	100%
Forthnet Media S.A.	23/04/2008	Pay-TV services	Greece	99.97%	99.97%
NetMed N.V.	12/1/1996	Holding Company	Holland	100%	100%
NetMed S.A.	12/1/1996	Customer Support Services	Greece	100%	100%
Intervision Services B.V.	12/1/1996	Content acquisition Services	Holland	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%

- The subsidiary 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.

- The subsidiary 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 interim condensed financial statements for the period ended at June 30, 2018, on September 25, 2018.

2. Basis of Presentation of Financial Statements

The accompanying separate and consolidated interim condensed financial statements that relate to the six-month period ended on June 30, 2018, have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The interim financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss and derivative financial instruments which have been measured at fair values in accordance with IFRS.

The accompanying separate and consolidated interim condensed financial statements do not include all the information required in the annual financial statements and, therefore, should be read in conjunction with the published annual financial statements for the year ended December 31, 2017, which are available on the internet in the address www.forthnet.gr.

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. The Group reassesses whether it exercises effective control over investments, at each reporting period, in case where events and circumstances point out a change in the indications of effective control. 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 (excluded those mentioned at Note 5).

Profit or Losses of subsidiaries 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 Group. A 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:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Recognizes the fair value of any investment retained
- Recognizes 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.

4. Significant Accounting Policies

The accounting policies adopted in the preparation of the interim condensed financial statements, are consistent with those followed in the preparation of the annual financial statements of the Group and the Company 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.

A) New standards, interpretation and amendments adopted by the Group and the Company

- **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.

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

  - ***IFRS 1 First-time Adoption of International Financial Reporting Standards:*** This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.
  - ***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.

- **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.

- **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.

- **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.

- **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.

- **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.

- **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.

- 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.

  - ***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.

In relation to the abovementioned standards, the Group and the Company are in the process of assessing their impact on their financial position or performance.

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 34, the nature and impact of those changes are described below:

IFRS 15 “Revenue from contracts with customers”
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 are now also 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). Furthermore, by considering the materiality of the said amounts and for presentation reasons in the statement of financial position, the subscribers acquisition costs are now presented separately in the financial statement line “Liabilities from contracts with customers” instead of the line “Intangible assets”. However, it is noted that the Group and the Company are still treating the said costs as intangible assets with the corresponding cost being presented as amortization in the statement of profit and loss.

Presentation

Assets from Contracts with Customers

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 “Prepayments and other receivables” 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 liability 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 June 30, 2018 as well as in the Group and the Company statement of profit or loss for the period ended June 30, 2018, for each of the line items affected.

	The Company			
	Balance IFRS 15 / IFRS 9	Adjustments	Reclasses	Balance IAS 18 / IAS 39
	01.01-30.6.2018			01.01-30.6.2018
Revenues	79,164,623	(194,911)	-	79,359,534
Telecommunications costs	(40,314,050)	-	-	(40,314,050)
Royalties and licenses	-	-	-	-
Cost of sales of inventory and consumables	(703,930)	(154,576)	-	(549,354)
Advertising and promotion costs	(326,527)	-	-	(326,527)
Payroll and related costs	(10,247,146)	-	-	(10,247,146)
Sundry expenses	(17,212,683)	(182,564)	-	(17,030,119)
Impairment of investments in subsidiaries	-	-	-	-
Other income	696,089	-	-	696,089
Depreciation and amortisation	(12,122,498)	1,583,307	-	(13,705,805)
Financial income	33,475	-	-	33,475
Financial expenses	(2,443,063)	-	-	(2,443,063)
Loss before income taxes	**(3,475,709)**	**1,051,257**	**-**	**(4,526,966)**
Income taxes	169,801	(357,808)	-	527,609
Loss after taxes	**(3,305,908)**	**693,449**	**-**	**(3,999,357)**
Loss for the period attributable to:				
Shareholders of the Parent Company	(3,305,908)	693,449	-	(3,999,357)
Non-controlling interests	-	-	-	-
	(3,305,908)	**693,449**	**-**	**(3,999,357)**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods				
Total comprehensive loss for the period	**(3,305,908)**	**693,449**	**-**	**(3,999,357)**
Total comprehensive loss for the period attributable to:				
Shareholders of the Parent Company	(3,305,908)	693,449	-	(3,999,357)
Non-controlling interests	-	-	-	-
	(3,305,908)	**693,449**	**-**	**(3,999,357)**

	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 cost	-	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)	-	-
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	IFRS 15 Adjustments	IFRS 15 Reclasses	IFRS 9 Adjustments	Balance IFRS 15 / IFRS 9
	30.6.2018				30.6.2018
ASSETS					
Non-current assets					
Property, plant and equipment	52,883,361	-	-	-	52,883,361
Intangible assets	14,434,202	-	(2,164,724)	-	12,269,478
Contracts cost	-	8,321,437	2,164,724	-	10,486,161
Goodwill	512,569	-	-	-	512,569
Investments in subsidiaries	8,137,279	-	-	-	8,137,279
Other non-current assets	6,094,767	-	(5,541,476)	-	553,291
Assets from Contracts with Customers	-	244,388	5,541,476	-	5,785,864
Available for sale financial assets	248,394	-	-	-	248,394
Deferred tax assets	3,258,817	(2,345,500)	-	-	913,317
Total non-current assets	**85,569,389**	**6,220,326**	**-**	**-**	**91,789,715**
Current assets					
Inventories	348,136	-	-	-	348,136
Programme and film rights	-	-	-	-	-
Trade accounts receivable	32,918,100	-	(10,320,723)	(1,323,168)	21,274,209
Assets from Contracts with Customers	-	1,270,635	10,320,723	(319,942)	11,271,416
Prepayments and other receivables	4,022,881	-	-	-	4,022,881
Due from related companies	101,095,612	-	-	-	101,095,612
Cash and cash equivalents	1,428,078	-	-	-	1,428,078
Restricted cash	5,368,219	-	-	-	5,368,219
Total current assets	**145,181,026**	**1,270,635**	**-**	**(1,643,110)**	**144,808,551**
TOTAL ASSETS	**230,750,415**	**7,490,961**	**-**	**(1,643,110)**	**236,598,266**
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	191,960,308	-	-	-	191,960,308
Accumulated deficit	(514,699,282)	5,742,430	-	(1,643,110)	(510,599,962)
Total	**26,916,324**	**5,742,430**	**-**	**(1,643,110)**	**31,015,644**
Non-controlling interests	-	-	-	-	-
Total equity	**26,916,324**	**5,742,430**	**-**	**(1,643,110)**	**31,015,644**
Non current liabilities					
Long-term borrowings	42,004,880	-	-	-	42,004,880
Long-term transponder leases	-	-	-	-	-
Other long-term leases	146,149	-	-	-	146,149
Other long-term liabilities	6,827,090	-	(6,351,966)	-	475,124
Liabilities from contracts with customers	-	618,230	6,351,966	-	6,970,196
Reserve for staff retirement indemnities	2,505,695	-	-	-	2,505,695
Government grants	3,930,710	-	-	-	3,930,710
Deferred tax liability	-	-	-	-	-
Total non-current liabilities	**55,414,524**	**618,230**	**-**	**-**	**56,032,754**
Current liabilities					
Trade accounts payable	32,502,868	-	-	-	32,502,868
Due to related companies	7,262,213	-	-	-	7,262,213
Short-term borrowings	38,400	-	-	-	38,400
Current portion of long-term borrowings	78,461,538	-	-	-	78,461,538
Liabilities from contracts with customers	-	1,130,301	11,031,312	-	12,161,613
Deferred income	11,031,312	-	(11,031,312)	-	-
Current portion of transponder leases	-	-	-	-	-
Current portion of other leases	216,435	-	-	-	216,435
Current portion of programmes and film rights obligations	5,400,515	-	-	-	5,400,515
Income tax payable	503,790	-	-	-	503,790
Accrued and other current liabilities	13,002,496	-	-	-	13,002,496
Total current liabilities	**148,419,567**	**1,130,301**	**-**	**-**	**149,549,868**
Total liabilities	**203,834,091**	**1,748,531**	**-**	**-**	**205,582,622**
TOTAL EQUITY AND LIABILITIES	**230,750,415**	**7,490,961**	**-**	**(1,643,110)**	**236,598,266**

	The Group			
	Balance IFRS 15 / IFRS 9	Adjustments	Reclasses	Balance IAS 18 / IAS 39
	01.01-30.6.2018			01.01-30.6.2018
Revenues	143,586,742	(244,764)	-	143,831,506
Telecommunications costs	(40,357,534)	-	-	(40,357,534)
Royalties and licenses	(36,420,071)	-	-	(36,420,071)
Cost of sales of inventory and consumables	(911,726)	189,865	-	(1,101,591)
Advertising and promotion costs	(2,369,622)	-	-	(2,369,622)
Payroll and related costs	(18,282,781)	-	-	(18,282,781)
Sundry expenses	(27,607,907)	(289,141)	-	(27,318,766)
Impairment of investments in subsidiaries	-	-	-	-
Other income	767,090	-	-	767,090
Depreciation and amortisation	(30,067,294)	515,776	-	(30,583,070)
Financial income	8,588	-	-	8,588
Financial expenses	(8,125,897)	-	-	(8,125,897)
Loss before income taxes	**(19,780,412)**	**171,736**	**-**	**(19,952,148)**
Income taxes	2,388,263	(357,808)	-	2,746,071
Loss after taxes	**(17,392,149)**	**(186,072)**	**-**	**(17,206,077)**
Loss for the period attributable to:				
Shareholders of the Parent Company	(17,245,089)	(178,874)	-	(17,066,215)
Non-controlling interests	(147,060)	(7,198)	-	(139,865)
	(17,392,149)	**(186,072)**	**-**	**(17,206,080)**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	-	-	-	-
Total comprehensive loss for the period	**(17,392,149)**	**(186,072)**	**-**	**(17,206,080)**
Total Comprehensive Loss for the period attributable to:				
Shareholders of the Parent Company	(17,245,089)	(178,874)	-	
Non-controlling interests	(147,060)	(7,198)	-	
	(17,392,149)	**(186,072)**	**-**	**(17,206,080)**

	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 cost	-	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
Available for sale financial assets	374,600	-	-	-	374,600
Deferred tax assets	10,039,539	(2,031,286)	-	-	8,008,253
Total non-current assets	**296,206,525**	**24,459,486**	**-**	**-**	**320,666,011**
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**	**26,343,496**	**-**	**(2,330,103)**	**429,701,028**
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)	23,385,916	-	(2,322,750)	(709,718,052)
Total	**(188,992,018)**	**23,385,916**	**-**	**(2,322,750)**	**(167,928,852)**
Non-controlling interests	(2,928,377)	165,713	-	(7,353)	(2,770,017)
Total equity	**(191,920,395)**	**23,551,629**	**-**	**(2,330,103)**	**(170,698,869)**
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
Contractual liabilities	-	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
Contractual liabilities	-	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**	**26,343,496**	**-**	**(2,330,103)**	**429,701,028**

	The Group				
	Balance IAS 18 / IAS 39 30.6.2018	IFRS 15 Adjustments	IFRS 15 Reclasses	IFRS 9 Adjustments	Balance IFRS 15 / IFRS 9 30.6.2018
ASSETS					
Non-current assets					
Property, plant and equipment	87,819,633	-	-	-	87,819,633
Intangible assets	86,913,313	-	(5,537,602)	-	81,375,711
Contracts cost	-	27,196,412	5,537,602	-	32,734,014
Goodwill	83,168,812	-	-	-	83,168,812
Investments in subsidiaries	-	-	-	-	-
Other non-current assets	8,575,311	-	(5,541,476)	-	3,033,835
Assets from Contracts with Customers	-	244,388	5,541,476	-	5,785,864
Available for sale financial assets	374,600	-	-	-	374,600
Deferred tax assets	11,219,089	(2,389,094)	-	-	8,829,995
Total non-current assets	**278,070,758**	**25,051,707**	**-**	**-**	**303,122,465**
Current assets					
Inventories	3,163,276	-	-	-	3,163,276
Programme and film rights	13,234,713	-	-	-	13,234,713
Trade accounts receivable	53,599,356	-	(11,446,845)	(2,254,257)	39,898,254
Assets from Contracts with Customers	-	1,394,820	11,446,845	(364,987)	12,476,678
Prepayments and other receivables	6,768,337	-	-	-	6,768,337
Due from related companies	1,304,133	-	-	-	1,304,133
Cash and cash equivalents	2,646,200	-	-	-	2,646,200
Restricted cash	5,370,874	-	-	-	5,370,874
Total current assets	**86,086,889**	**1,394,820**	**-**	**(2,619,244)**	**84,862,466**
TOTAL ASSETS	**364,157,647**	**26,446,527**	**-**	**(2,619,244)**	**387,984,930**
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	192,158,518	-	-	-	192,158,518
Accumulated deficit	(747,860,576)	23,495,285	-	(2,610,992)	(726,976,283)
Total	**(206,046,760)**	**23,495,285**	**-**	**(2,610,992)**	**(185,162,467)**
Non-controlling interests	(3,068,239)	159,413	-	(8,252)	(2,917,078)
Total equity	**(209,114,999)**	**23,654,698**	**-**	**(2,619,244)**	**(188,079,545)**
Non current liabilities					
Long-term borrowings	42,004,880	-	-	-	42,004,880
Long-term transponder leases	34,900,966	-	-	-	34,900,966
Other long-term leases	146,149	-	-	-	146,149
Other long-term liabilities	23,926,408	-	(6,351,966)	-	17,574,442
Liabilities from contracts with customers	-	904,916	6,351,966	-	7,256,882
Reserve for staff retirement indemnities	4,395,230	-	-	-	4,395,230
Government grants	3,930,710	-	-	-	3,930,710
Deferred tax liability	18,379,555	-	-	-	18,379,555
Total non-current liabilities	**127,683,898**	**904,916**	**-**	**-**	**128,588,814**
Current liabilities		-	-	-	-
Trade accounts payable	96,888,086	-	-	-	96,888,086
Due to related companies	909,321	-	-	-	909,321
Short-term borrowings	2,495,218	-	-	-	2,495,218
Current portion of long-term borrowings	255,000,000	-	-	-	255,000,000
Liabilities from contracts with customers	-	1,886,913	19,659,761	-	21,546,675
Deferred income	19,659,761	-	(19,659,761)	-	-
Current portion of transponder leases	12,161,384	-	-	-	12,161,384
Current portion of other leases	216,435	-	-	-	216,435
Current portion of programmes and film rights obligations	21,938,690	-	-	-	21,938,690
Income tax payable	1,691,764	-	-	-	1,691,764
Accrued and other current liabilities	34,628,089	-	-	-	34,628,089
Total current liabilities	**445,588,748**	**1,886,913**	**-**	**-**	**447,475,661**
Total liabilities	**573,272,646**	**2,791,830**	**-**	**-**	**576,064,475**
TOTAL EQUITY AND LIABILITIES	**364,157,647**	**26,446,527**	**-**	**(2,619,244)**	**387,984,931**

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 estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's and the Company's annual financial statements for the year ended December 31, 2017, except for the judgements and estimates made for the purpose of transition to IFRS 15 and IFRS 9 (Note 5).

7. Going Concern

As of June 30, 2018 and till the date of approval of the condensed interim financial statements, the Company and the Group have not repaid the total of the matured loan instalments of € 78 million and € 255 respectively from the existing ordinary bond loans issued by the Company and Forthnet Media S.A. (hereinafter the "Existing OBL").

As of June 30, 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 € 362.6 million and € 4.7 million respectively.

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

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, 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.

Group Management estimates that based on current circumstances and provided that the Refinancing of the existing OBLs is successfully completed, the needs for working capital and for repayment of existing loans for the next 12 months from the signing of these interim condensed financial statements will amount to approximately € 28 million and € 19 million respectively. 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 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 interim condensed separate and consolidated financial statements for the Company and Group have been prepared on a going concern basis. Consequently, the attached interim condensed 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 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 8 discloses the Company's and the Group's turnover by category / type of service provided as well as turnover per customer category (retail / business).

9. Revenues

Revenues are analyzed as follows:

	The Group		The Company	
	01.01-30.6.2018	01.01-30.6.2017	01.01-30.6.2018	01.01-30.6.2017
Revenues from contracts with customers				
Direct Retail Services	**113,829,634**	**120,962,251**	**54,235,852**	**58,305,626**
Bundled services (2play)	21,312,993	21,486,769	21,223,116	21,486,769
Bundled services (3play)	25,968,207	27,736,998	25,634,837	27,736,998
Telephony	1,737,835	2,636,606	1,744,356	2,644,872
ADSL	4,043,654	4,937,979	4,206,944	4,919,100
Pay-TV Revenues	59,340,346	62,646,012	-	-
Other	1,426,599	1,517,887	1,426,599	1,517,887
Indirect Retail Services	**541,625**	**766,123**	**541,625**	**766,123**
Telephony	54,613	122,546	54,613	122,546
ADSL	400,847	520,810	400,847	520,810
Other	86,165	122,767	86,165	122,767
Direct Business Services	**16,865,491**	**18,386,606**	**16,865,491**	**18,386,606**
E-business	**505,265**	**553,116**	**505,265**	**553,116**
Pay-TV Advertising Revenue	**5,186,605**	**4,887,829**	**-**	**-**
Forth CRS services	**2,229,991**	**1,940,261**	**-**	**-**
Equipment sales	**840,270**	**554,824**	**840,789**	**195,337**
Other services	**3,587,862**	**394,529**	**6,175,602**	**4,374,748**
Total	**143,586,742**	**148,445,539**	**79,164,624**	**82,581,556**

- Billed revenue which has been deferred and will be recognised as revenue in subsequent periods for the Group and the Company as of June 30, 2018, amounted to € 28,803,557 και € 19,131,809 respectively, of which an amount of € 7,256,882 and € 6,970,196 for both the Group and the Company respectively, relates to the long-term portion. The aforementioned amounts are presented in the line "Liabilities from contracts with customers" of the statement of financial position as short and long term respectively.

- Unbilled revenues as of June 30, 2018 for the Group and Company amounted to € 12,476,678 and € 11,271,416 respectively and are presented in the line "Assets from Contracts with Customers" of the statement of financial position (31 December 2017: € 7,485,797 for the Group and € 6,968,470 for the Company, and there were presented in line «Trade accounts receivable»).

10.Sundry Expenses

Sundry expenses are analyzed as follows:

	The Group		The Company	
	01.01-30.6.2018	01.01-30.6.2017	01.01-30.6.2018	01.01-30.6.2017
Third party fees and services	8,258,341	9,599,567	5,149,192	6,099,850
Taxes and duties	452,756	511,493	396,073	449,888
Other sundry expenses	5,953,711	3,231,641	3,413,011	1,832,288

Allowance for doubtful accounts receivable	3,088,020	3,543,271	1,741,120	1,864,455
Repairs and maintenance	2,383,526	2,511,976	1,423,436	1,484,797
Rentals	1,170,923	1,147,094	439,991	422,059
Office functional costs	1,271,579	1,234,345	904,144	899,863
Commissions	5,029,051	4,308,365	3,745,716	2,961,774
Total	**27,607,907**	**26,087,752**	**17,212,683**	**16,014,974**

Third party fees and services mainly include consultant fees, program production fees, fees to collection companies and commercial partner fees.
Other sundry expenses mainly include transportation costs, insurance expenses, postage, travel expenses, consumables and hosting costs.

11.Income taxes

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

	The Group		The Company	
	01.01-30.6.2018	**01.01-30.6.2017**	**01.01-30.6.2018**	**01.01-30.6.2017**
Current income taxes	212,146	98,252	-	-
Income taxes from prior years	-	13,567	-	(12,524)
Deferred income taxes	(2,600,409)	(2,469,866)	(169,801)	174,635
Income taxes debit/ (credit)reported in the statement of profit and loss	**(2,388,263)**	**(2,358,047)**	**(169,801)**	**162,111**
Other comprehensive income				
Net (loss)/gain on actuarial gains and losses	-	-	-	-
Total income taxes debit/ (credit)reflected in the statements of income	**(2,388,263)**	**(2,358,047)**	**(169,801)**	**162,111**

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 in accordance with Company's Law 2190/20 and 3190/55 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

Forthnet has not been audited for the fiscal years 2007 through to 2010 and a decision for a tax audit has been issued by the Tax Authorities in Greece for these years. It is noted that in August 2018 the Tax Authorities in Greece completed their tax audit on the Company's taxation of the fiscal years 2012 and 2013 with no findings

Forthnet' subsidiaries have not been audited for the following fiscal years:

Subsidiary Companies	Unaudited Tax Periods	
	From	To
Forthnet Media S.A.	1/1/2010	31/12/2010
Forth-Crs S.A.	1/1/2010	31/12/2010
NetMed S.A.	1/1/2010	31/12/2010
Syned S.A. (absorbed by Forthnet Media)	1/1/2010	30/9/2010
Multichoice Hellas S.A. (absorbed Forthnet Media)	1/1/2010	31/12/2010

Also, a decision for a tax audit has been issued by the Tax Authorities in Greece regarding the absorbed (by Forthnet Media) company Multichoice Hellas S.A for the financial years 2010 and 2012.

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 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.

In a future tax audit of the unaudited tax fiscal years it is possible that additional taxes and penalties may be assessed to Forthnet and to its subsidiaries. The Group believes that they have provided adequate provision (€ 0.4 million for the Group and € 0.2 million for the Company) for probable future tax assessments based upon previous years' tax examinations and past interpretations of the tax laws.

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.

12.Property, plant and equipment

During the period from January 1, 2018 until June 30, 2018, the Group's total investments in tangible assets amounted to € 1,697,843 and those of the Company's amounted to € 1,556,471 and mainly concern the expansion of Forthnet's private telecommunication network (June 30, 2017: € 2,713,744 for the Group and € 2,451,526 for the Company).

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 Group's capitalised leased assets as of June 30, 2018 and December 31, 2017 amounted to € 34,928,388 και € 39,694,254 respectively. For the Company the respective amounts were € 2,042,234 and € 2,110,078 as of June 30, 2018 and December 31, 2017.

13.Intangible Assets

In the period from January 1, 2018 to June 30, 2018, the Group's total investment in intangible assets (excluding Contracts cost) amounted to € 2,569,725 and for the Company to € 1,927,062 and mainly concern the upgrading and development of software programs (30 June 2017: € 11,971,888 for the Group and € 6,293,370 for the Company). It is noted that in year ended December 31, 2017 the intangible assets also included the subscribers' acquisition costs,

which in the current period are included separately in the line "Contract costs" of the statement of financial position. See notes 14 and Note 5.
It if further noted that the Group and the Company continue to consider the subscribers' acquisition costs as intangible assets, with the corresponding cost being presented as amortization in the statement of profit and loss. However, due to the materiality of said amount and as part of the transition to IFRS 15, the said costs are not presented separately in the statement of financial position.

14. Contracts cost

During the period January 1, 2018 to June 30, 2018, the total subscribers' acquisition costs for the Group amounted to € 7,787,302 and for the Company to € 4,235,026 and related mainly to commercial commissions to business partners, installation fees, activation costs and equipment costs.

15.Goodwill

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

	The Group		The Company	
	30.6.2018	**31.12.2017**	**30.6.2018**	**31.12.2017**
MBA S.A.	512,569	512,569	512,569	512,569
Forth CRS S.A.	24,595	24,595	-	-
NetMed N.V. Group and Intervision B.V.	285,965,176	285,965,176	-	-
	286,502,340	**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	**83,168,812**	**83,168,812**	**512,569**	**512,569**

Goodwill is tested for impairment annually (as at December 31) and when circumstances indicate the carrying value may be impaired.

As of June 30, 2018, Group's management, taking into account the comparison of the budget with the actual results of the Group up to the reference date of the interim condensed financial statements, concluded that there is no need for significant changes in the assumptions used in the most recent impairment test, which was conducted on 31 December 2017, with regards to the Group's activity and its operational results. Consequently, no further impairment was required as of 30 June 2018. Furthermore, the Group examined a wide range of factors relating to its current and expected customer base, profitability and cash flows, based on which no material adverse effect on the financial, situation and the results of the Company is expected as of the June 30, 2018.

The pre-tax discount rate applied to cash flow projections as of December 31, 2017 was 10.49% (December 31, 2016: 10.74%), while growth rate to perpetuity used (beyond the eight-year period) was 2.0% (December 31, 2016: 2.5%) after taking into account the long-term prospective of the Group.

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%. The carrying amount of the Group appears much lower than the estimated Value in Use and, therefore, it is not probable that an impairment issue will arise in case of a reasonably possible change in the above assumptions.

The Group continuously monitors developments and, as noted in Note 7 of the Interim Condensed Financial Statements, due its current financial position, the Company's and Group's activities are subject to certain risks that have a potentially negative impact in their activities. The Group will therefore reperform an impairment review exercise as part of the preparation of the annual financial statements of the year to be ended 31 December 2018.

16.Investment in Subsidiaries

Investments in subsidiaries (which are included in the accompanying consolidated financial statements) are analyzed as follows:

Entity	Country of Incorporation	Consolidation Method	Participation Relationship	Equity Interest %		Carrying Value	
				30.06.2018	31.12.2017	30.06.2018	31.12.2017
Forth-CRS S.A.	Greece	Full	Direct	99.31%	99,31%	4,314,749	4,314,749
Forthnet Media S.A.	Greece	Full	Direct	99.97%	99,97%	3,822,530	3,822,530
						8,137,279	**8,137,279**

As at December 31, 2017, the Company proceeded with an impairment testing exercise of its investments in subsidiaries and, more specifically, its investment in the subsidiary, Forthnet Media S.A.. The carrying value of the Company's investment in the subsidiary was higher than the recoverable amount by € 23,475,371 and, consequently, an impairment loss was recognised by an equivalent amount as at December 31, 2017.

For the same reasons set out in note 15, the management of the Group considered that there is no need to modify the assumptions used for the impairment testing as of December 31, 2017 and therefore no further impairment testing was required as of June 30, 2018.

It is noted that as of December 31, 2017 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%. More specifically, an increase in of 0.25% in the discount rate (keeping the growth rate stable) would result in an additional impairment loss of approximately € 6,66 million, while a decrease in growth rate by 0.25% (keeping the discount rate stable) would result to an additional impairment loss of approximately € 8,9 million.

As noted in Note 15 above, the Group continuously monitors developments and, as noted in Note 7 of the Interim Condensed Financial Statements, due its current financial position, the Company's and Group's activities are subject to certain risks that have a potentially negative impact in their activities. The Group will therefore reperform an impairment review exercise as part of the preparation of the annual financial statements of the year to be ended 31 December 2018.

17.Programme and film rights

Programme and film rights receivables are analyzed as follows:

	The Group	
	30.6.2018	31.12.2017
Cost		
Sports rights	35,209,352	87,656,762
Licensed film rights	4,893,967	6,628,048
Cost of Sports and Film Rights	**40,103,319**	**94,284,810**
Amortisation		
Sports rights	(25,055,902)	(53,027,659)
Licensed film rights	(1,812,704)	(3,647,230)
Sports and Film Rights Amortisation	**(26,868,606)**	**(56,674,889)**
Net Value		
Sports rights	10,153,450	34,629,103
Licensed film rights	3,081,263	2,980,818
Sports and Film Rights, net value	**13,234,713**	**37,609,921**

The variance between 30 June 2018 and 31 December 2017 is due to the seasonality presented in the sports and film rights. The above financial statement item is also directly related to the item "Program and film rights obligations " (Note 21).

It is noted that the "Royalties and licences cost" cost decreased in the current period ended June 30, 2018 to € 36,420,071 (from € 40,597,129 in the period ended June 30, 2017). This significant decrease is due to the cost reduction in the sports rights (due to the price reduction in the Superleague sports rights) as well as due to the reduction of the cost of entertainment rights (as a result of the renegotiation of the renewal terms with suppliers).

It is clarified that the new acquisitions of sports rights mentioned in the report of the Board of Directors are included in Note 24 in the item "Contractual commitments" due to the Group's accounting policy under which the rights of sports programs and films, as well as the respective obligations towards suppliers are recognized with the start of the exploitation period of each right.

18.Trade Accounts Receivable

Trade accounts receivable are analyzed as follows:

	The Group		The Company	
	30.6.2018	**31.12.2017**	**30.6.2018**	**31.12.2017**
Domestic customers	112,808,527	112,298,014	64,732,027	64,034,368
Foreign customers	2,885,954	3,038,151	1,056,683	1,296,932
Receivables from Greek State	1,762,899	1,748,825	1,532,869	1,518,805
Cheques and notes receivable	2,061,425	2,360,808	1,301,477	1,275,540
Unbilled revenue (Notes 5, 9)	-	7,485,797	-	6,968,470
Total	**119,518,805**	**126,931,595**	**68,623,056**	**75,094,115**
Less: Allowance for doubtful accounts receivable	(79,620,551)	(74,969,811)	(47,348,847)	(44,604,188)
Total	**39,898,254**	**51,961,784**	**21,274,209**	**30,489,928**

The movement in the allowance for doubtful accounts receivable is analyzed as follows:

	The Group		The Company	
	30.6.2018	**31.12.2017**	**30.6.2018**	**31.12.2017**
Beginning balance	74,969,811	68,747,760	44,604,188	41,484,278
Impact from adoption of IFRS 9	2,093,387	-	1,244,523	-
Reclassification to related parties	-	(165,264)	-	(165,264)
Provision for the period	2,982,753	6,673,111	1,631,486	3,468,809
Less: Utilization	(425,401)	(285,796)	(131,351)	(183,635)
Ending balance	**79,620,551**	**74,969,811**	**47,348,847**	**44,604,188**

19.Share Capital

The Company's share capital as at June 30, 2018 amounted to € 49,156,253 divided into 163,854,177 ordinary registered shares, each having a nominal value of € 0.30.

By the decision of the Board of Directors dated February 26th and May 18th 2018, the Company increased its share capital by € 9,000 and € 2,511 respectively as a result of the conversion of a total of 38,370 convertible bonds with a nominal value of € 0.30 each, from the company's existing bond loan facility which had a 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 € 0.30 each. Similarly, the total number of voting rights of the Company amounts to 163,854,177.

20.Long-term and Short-term borrowings

a) Long –term borrowings

Long-term loans for the Group and the Company at June 30, 2018 and December 31, 2017, are analyzed as follows:

	The Group		The Company	
	30.6.2018	**31.12.2017**	**30.6.2018**	**31.12.2017**
Convertible bond loan	42,004,880	41,071,527	42,004,880	41,071,527
Other bond loans	255,000,000	255,000,000	78,461,538	78,461,538
Total	**297,004,880**	**296,071,527**	**120,466,418**	**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	**42,004,880**	**41,071,527**	**42,004,880**	**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.

The convertible bond was initially recognized at cost, being the fair value less attributable transaction costs mounted 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 amounted to € 5,259,249, i.e € 13,488,985 has been included in other reserves.

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.

During the period from January 01, 2018 to June 30, 2018 and from January 01, 2017 to December 31, 2017 some bondholders exercised their conversion rights by converting 38,370 and 53,718,622 bonds respectively into ordinary shares of the Company. After the conversion the remaining bonds of the convertible bond amounted as of June 30, 2018 to 179,991,941 and have a value of € 53.997.582 (December 31, 2017 : 180,030,311 at a value of € 54,009,093). Furthermore, as a result of the aforementioned conversion in year 2017 and the corresponding share capital increase of the Company by € 16,115,586,6 the convertible bond loan financial liability was reduced by € 12,222,139 while the other reserves were reduced by € 3,893,447 less the relating deferred tax (€ 1,116,327). Respectively, in the period ended June 30, 2018 the bond loan financial liability was reduced by € 11,511 as a result of the above conversion.

Other Bond loans:

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 are described in detail in the published financial statements of December 31, 2015.

The exiting bond loans are classified as short-term due to non-compliance with certain conditions and obligations under the existing loan agreements.

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 31 October 2018. The Group has submitted on September 14, 2018 a new request for further extension (waiver) to 30 April 2019.

The Group negotiated with the lending banks reaching an agreement on the basic terms of the refinancing of existing bonds, and took on binding 15/06/2016 proposal adopted 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 € 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 June 30, 2018 the Group has not made contractual payments of € 255 million (31 December 2017 : € 255,0 million) required by its bond loan agreements.

Total interest expenses on long-term loans for the period ended June 30, 2018 , amounted to € 4,168,573 for the Group (June 30, 2017: € 5,052,393) and € 1,465,113 for the Company (June 30,2017: € 2,051,133) and are included in financial expenses, in the accompanying financial statements. The amount of interest due of the Group amounting to € 8,722,496 (31 December 2017: € 5,517,247) and of the Company amounting to € 2,209,694 (31 December 2017: € 1,228,401) is included in accrued and other current liabilities in the statement of financial position (Note 22).

b) Short-term borrowings

The subsidiary Forth CRS A.E. maintains short-term borrowings at a total annual floating Euribor rate plus an interest margin of 6%. 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 with a total value of € 3,000,000 at a six-month floating Euribor rate plus a margin of 3% in order to cover its obligations to major suppliers. Of 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 cash. For the aforementioned short-term financing the Group has pledged the receivables of the subsidiary Forthnet Media A.E. arising from the agreements for the wholesale distribution of “Novasports” branded channels to Vodafone - Panafon AEET and Wind Hellas SA. The following table shows the approved short-term borrowing limits of the Group as well as the unsued portion.

	The Group		**The Company**	
	30.6.2018	**31.12.2017**	**30.6.2018**	**31.12.2017**
Credit lines available	2,495,218	1,198,566	38,400	-
Unused portion	-	-	-	-
Used portion	**2,495,218**	**1,198,566**	**38,400**	**-**

The total interest expense for short-term borrowings for the period ended June 30, 2018 amounted to € 40.181 (June 30, 2017: € 43.089) for the Group and are included in the financial expenses, in the accompanying financial statements. The amount of interest due of the Group and the Company amounting to € 40,100 (31 December 2017: € 0) is included in accrued and other current liabilities in the statement of financial position (Note 22).

21.Programme and film rights obligations

Programme and film rights obligations are analyzed as follows:

	The Group		The Company	
	30.6.2018	**31.12.2017**	**30.6.2018**	**31.12.2017**
Programmes and Rights	21,938,691	44,544,597	5,400,515	13,017,921
Less: Current portion	(21,938,691)	(44,544,597)	(5,400,515)	(13,017,921)
Long term portion	-	-	-	-

The obligations of programme and film rights relate to the unpaid amount of the respective rights as at June 30, 2018 and December 31, 2017. The movement between the periods is due to seasonality.
The above financial statement item is also directly related to the line item “Programme and film rights” (Note 17).

22.Accrued and other current liabilities

Accrued and other current liabilities are analyzed as follows:

	The Group		The Company	
	30.6.2018	**31.12.2017**	**30.6.2018**	**31.12.2017**
Social security payable	3,662,041	1,978,841	1,898,710	979,976
Value added tax	2,421,694	2,693,850	793,486	1,102,524
Other taxes and duties	8,964,930	6,041,446	5,273,773	2,626,026
Customer advances	61,646	43,731	-	-
Interest Accrued (Note 20)	8,762,596	5,517,247	2,209,694	1,228,401
Other current liabilities	5,693,658	3,392,911	2,826,833	1,770,876
Liabilities from rights & licences	5,061,523	4,692,469	-	-
Total	**34,628,088**	**24,360,495**	**13,002,496**	**7,707,803**

The increase in other taxes and duties and social security payable is due to additional settlements made for the payment for taxes, duties and social security contributions.

Other current liabilities mainly include employee benefits payable (accrual for bonuses, accrual for untaken leave, payroll payable in the first days of the following month, termination benefits payable, ec). The increase compared to December 31, 2017 is mainly due to the seasonality noted in the untaken leave accrual and other employee bonuses accruals (Christmas bonus, Easter bonus, etc).

23.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 with related companies are as follows:

Related Party	Relation with the Group	Period ended at	Sales to related parties	Purchases from related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2018	1,241,856	1,245,333
		30.06.2017	925,887	1,511,891
Vodafone S.A.	Shareholder	30.06.2018	2,253,621	1,003,210
		30.06.2017	483,748	1,065,129
Technology and Research Foundation	Shareholder	30.06.2018	16,640	42,450
		30.06.2017	30,708	410
Alpha Bank SA	Shareholder	30.06.2018	101,049	60,302
		30.06.2017	-	-
National Bank of Greece SA	Shareholder	30.06.2018	75,511	79,730
		30.06.2017	-	-
Piraeus Bank SA	Shareholder	30.06.2018	657,972	2,065
		30.06.2017	-	-
Attika Bank SA	Shareholder	30.06.2018	15,878	-
		30.06.2017	-	-
Vodafone Ltd.	Related Party	30.06.2018	846,275	465,651
		30.06.2017	779,901	884,421
Cablenet Ltd	Related Party	30.06.2018	3,060	27,600
		30.06.2017	2,815	35,250
Total 30.06.2018			**5,211,861**	**2,926,341**
Total 30.06.2017			**2,223,059**	**3,497,101**

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

Related Party	Relation with the Group	Period / Year ended at	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2018	207,057	354,809
		31.12.2017	340,203	602,645
Vodafone S.A.	Shareholder	30.06.2018	197,284	280,375
		31.12.2017	267,468	511,692
Technology and Research Foundation	Shareholder	30.06.2018	37,839	25,061
		31.12.2017	34,267	3,500
Lumiere Productions A.E.	Shareholder	30.06.2018	-	6,378
		31.12.2017	-	6,378
Lumiere Cosmos Communications	Shareholder	30.06.2018	-	10
		31.12.2017	-	10
Alpha Bank SA	Shareholder	30.06.2018	67,608	79
		31.12.2017	41,709	15,264
National Bank of Greece SA	Shareholder	30.06.2018	91,943	222,671
		31.12.2017	23,061	247,458
Piraeus Bank SA	Shareholder	30.06.2018	190,554	2,560
		31.12.2017	65,717	-
Attika Bank SA	Shareholder	30.06.2018	1,247	-
		31.12.2017	1,223	-
Vodafone Ltd.	Related Party	30.06.2018	493,315	-
		31.12.2017	112,690	-

Cablenet Ltd	Related Party	30.06.2018	2,040	9,200
		31.12.2017	1,020	4,600
Hellas Online	Related Party	30.06.2018	11	118
		31.12.2017	11	117
Telemedicine Technologies S.A.	Associate	30.06.2018	3,733	-
		31.12.2017	3,734	-
Athlonet A.E.	Associate	30.06.2018	11,502	8,060
		31.12.2017	11,502	8,060
Total 30.06.2018			**1,304,133**	**909,321**
Total 31.12.2017			**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).
- The cost from Cablenet Ltd relates to leased lines.

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

Related Party	**Relation with the Company**	**Period ended at**	**Sales to related parties**	**Purchases from related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2018	341,046	1,210,012
		30.06.2017	925,887	1,474,679
Vodafone S.A.	Shareholder	30.06.2018	472,960	1,001,752
		30.06.2017	465,566	1,063,240
Technology and Research Foundation	Shareholder	30.06.2018	16,640	42,450
		30.06.2017	30,708	410
Alpha Bank SA	Shareholder	30.06.2018	101,049	59,885
		30.06.2017	-	-
National Bank of Greece SA	Shareholder	30.06.2018	75,357	51,999
		30.06.2017	-	-
Piraeus Bank SA	Shareholder	30.06.2018	658,559	2,065
		30.06.2017	-	-
Attika Bank SA	Shareholder	30.06.2018	15,878	-
		30.06.2017	-	-
Vodafone Ltd.	Related Party	30.06.2018	846,275	465,651
		30.06.2017	779,901	884,421
Cablenet Ltd	Related Party	30.06.2018	3,060	27,600
		30.06.2017	2,815	35,250
Forth CRS S.A.	Subsidiary	30.06.2018	53,341	79,268
		30.06.2017	42,597	61,771
Forthnet Media S.A.	Subsidiary	30.06.2018	2,663,529	400,021
		30.06.2017	3,869,588	467,578
NetMed S.A.	Subsidiary	30.06.2018	40,824	1
		30.06.2017	57,556	-
Total 30.06.2018			**5,288,518**	**3,340,704**
Total 30.06.2017			**6,174,618**	**3,987,349**

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

Related Party	**Relation with the Company**	**Period / Year ended at**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2018	207,039	347,310
		31.12.2017	340,184	599,279
Vodafone S.A.	Shareholder	30.06.2018	197,284	279,773
		31.12.2017	267,468	511,586
Technology and Research Foundation	Shareholder	30.06.2018	37,359	25,096
		31.12.2017	33,787	3,533
Alpha Bank SA	Shareholder	30.06.2018	67,608	439
		31.12.2017	41,705	15,606
National Bank of Greece SA	Shareholder	30.06.2018	91,603	222,672
		31.12.2017	22,894	247,459
Piraeus Bank SA	Shareholder	30.06.2018	191,378	2,560
		31.12.2017	65,607	-
Attika Bank SA	Shareholder	30.06.2018	1,247	-
		31.12.2017	299	-
Vodafone Ltd.	Related Party	30.06.2018	493,314	-
		31.12.2017	112,690	-
Cablenet Ltd	Related Party	30.06.2018	2,040	9,200
		31.12.2017	1,020	4,600
Telemedicine Technologies S.A.	Associate	30.06.2018	3,734	-
		31.12.2017	3,734	-
Άθλονετ Α.Ε.	Associate	30.06.2018	11,502	8,060
		31.12.2017	11,502	8,060
Forth CRS S.A.	Subsidiary	30.06.2018	23,635	9,035
		31.12.2017	-	52,804
Forthnet Media S.A.	Subsidiary	30.06.2018	98,572,434	6,306,362
		31.12.2017	99,925,647	3,775,097
NetMed S.A.	Subsidiary	30.06.2018	917,342	51,706
		31.12.2017	866,721	16,014
Intervision Services BV	Subsidiary	30.06.2018	278,093	-
		31.12.2017	278,094	-
Total 30.06.2018			**101,095,612**	**7,262,213**
Total 31.12.2017			**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.

Salaries and fees for the members of the Board of Directors and the General Managers of the Group as at June 30, 2018 and 2017 are analyzed as follows:

	The Group		The Company	
	01.01-30.6.2018	01.01-30.6.2017	01.01-30.6.2018	01.01-30.6.2017
Salaries and fees for executive members of the BoD	149,042	244,116	149,042	244,116
Salaries and fees for non-executive members of the BoD	176,667	163,587	176,667	163,587
Salaries and fees for senior managers	869,783	1,084,798	502,395	670,566
Total	**1,195,493**	**1,492,501**	**828,104**	**1,078,269**

It is noted that the above figure "Salaries and fees for senior managers" includes benefits relating to leaving indemnities amounted to € 61,589 for both the Group and the Company (June 30, 2017: € 46,699 for both the Group and the Company).

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and Management relating to social security amounted to € 38,019 for the Group and € 24,511 for the Company respectively (June 30, 2017: € 29,558 for the Group and € 27,511 for the Company respectively).

24.Commitment and Contingencies

Contingencies:
Litigation and Claims: The Group and the Company is currently involved in a number of legal proceedings and has various claims pending arising in the ordinary course of business. The Group and the Company have made appropriate provisions in relation to litigations and claims, when it is probable that an outflow of resources will be required to settle the obligations and it can be reasonably estimated. There are no significant developments with respect to the litigations and claims referred to the financial statements as of December 31, 2017, except for the following:

Contingent assets
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 interim condensed financial statements the total financial liability arising from the above mentioned employer contribution.

Contingent liabilities
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 amount to €1,779,561.

It is noted that the Group and the Company have recognized in its interim condensed financial statements as of June 30, 2018 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 interim condensed financial statements in this respect.

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 € 1.88 million for the Group and to approximately € 1.35 million for the Company at June 30, 2018 (December 31, 2017: approximately € 1.34 million 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.
Future minimum rentals payable under non-cancellable operating leases as at June 30, 2018 and December 31, 2017 are as follows:

	The Group		The Company	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Within one year	2,506,733	2,244,361	1,167,379	899,942
2-5 years	1,599,166	2,458,777	925,038	1,108,069
Over 5 years	13,404	19,209	13,404	18,071
Total	**4,119,303**	**4,722,347**	**2,105,821**	**2,026,082**

Guarantees: Letters of guarantee are issued and received by the Group to and from various beneficiaries and, as at June 30, 2018 and December 31, 2017 are analyzed as follows:

	The Group		The Company	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Good execution of agreements	5,128,480	5,117,688	120,956	110,164
Participation in bids	1,962,065	2,555,066	1,962,065	2,555,066
Guarantees for advance payments received	2,555,066	2,816,942	2,555,066	2,816,942
Total	**9,645,611**	**10,489,696**	**4,638,087**	**5,482,172**

Contractual Commitments: The outstanding balance of the contractual commitments as at June 30, 2018 for the Group amounted to approximately € 120.8 million and for the Company amounted to approximately € 10.6 million (December 31, 2017: € 82.0 million and € 10.1 million, respectively).

In addition, 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), amounted to approximately € 10.2 million at June 30, 2018 both for the Group and the Company (December 31, 2017: € 10.1 million both for the Group and the Company).

25.Financial Instruments and Financial Risk Management

Fair Value and fair value hierarchy of financial instruments

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 June 30, 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 period ended June 30, 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 June 30, 2018 and December 31, 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 - 30.06.2018	**The Group**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 20)	-	297,004,880	-	**297,004,880**
Long-term financial liability towards the Greek Government	-	8,545,992	-	**8,545,992**
Short-term financial liability towards the Greek Government	-	1,880,527	-	**1,880,527**
Long-term financial liability towards foreign creditor	-	7,685,294	-	**7,685,294**
Short-term financial liability towards foreign creditor	-	430,069	-	**430,069**
Total	**-**	**315,546,761**	**-**	**315,546,761**

Fair Value - 31.12.2017				**The Group**
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 20)	-	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 June 30, 2018 and December 31, 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 - 30.06.2018	**The Company**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 20)	-	120,466,418	-	**120,466,418**
Total	**-**	**120,466,418**	**-**	**120,466,418**

Fair Value - 31.12.2017	**The Company**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 20)	-	119,533,065	-	**119,533,065**
Total	**-**	**119,533,065**	**-**	**119,533,065**

Financial Risk Management

Credit Risk: Credit risk is the risk of financial loss to the Group and the Company if a counterparty fails to meet its contractual obligations. The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at June 30, 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.

Liquidity Risk: Liquidity risk is the risk that the Group or the Company may not be able to meet their financial obligations when required**.** The Group in its effort to manage the risks that may arise from the lack of sufficient liquidity has reached an agreement with banks to achieve the refinancing of existing loans.

Foreign Currency Risk: Foreign Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes . 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 Group's foreign exchange rates exposure varies within the year depending on the volume of the transactions in foreign exchange.

Interest Rate Risk: Interest rate risk is the risk that the fair value of future cash flows of a financial asset will fluctuate due to changes in market interest rates. The Group's and Company's exposure to interest rate risk is mainly related to long-term borrowing. Management continuously monitors interest rate fluctuations and assesses the need to take relevant positions to offset the risks arising from them.

Capital Management: 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 amortisation as well as any non-cash adjustments associated with impairment of goodwill charges and deducting transponder costs.

	The Group	
	30.06.2018	**31.12.2017**
Long-term borrowings	(42,004,880)	(41,071,527)
Short-term borrowings	(257,495,218)	(256,198,566)
Total Debt	**(299,500,098)**	**(297,270,093)**
Less: Cash and cash equivalents	2,646,200	2,603,540
Total net Debt	**(296,853,898)**	**(294,666,553)**
Adjusted EBITDA (non-cash adjustments)	**10,332,825**	**26,577,460**
Ration Net Debt / EBITDA	**(29)**	**(11)**

26.Subsequent Events

On 22/8/2018 the lending banks consented to the waiver provision for the sale of the subsidiary Forth CRS A.E and its subsidiary Forth CRS Italia S.R.L. The contract with the purchaser was signed on September 2018 and it is expected, after the completion of the transaction, the net result for the Group to be a gain.

There are no other significant events subsequent to June 30, 2018 which would influence materially the Group's and the Company's financial position.

Iraklio, 25 September 2018

The President of the BoD.	Vice President of the BoD and CEO
Deepak Srinivas Padmanabhan Passport No. Z 3839126	Panagiotis Papadopoulos I.D. Number Σ 676330
Group Finance Director	Group Accounting, Reporting & Tax Senior Manager
Dimitris Tzelepis I.D. Number AK 737381	Grigoris Sandalidis I.D. Number AE 135454 License Number O.E.E. 0117581 A' Class

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