Forthnet

ANNUAL REPORT

For the year

1 January 2019 to 31 December 2019

According to Law 3556/2007

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

Forthnet S.A.
Registration No S.A. 34461/06/B/95/94
G.E.M.I. 77127927000
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STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Statements of the Members of the Boards of Directors (in accordance with article 4 par. 2 of L. 3556/2007)

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

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

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

(a) the financial statements of the Company and the Group of the society anonyme company under the name “Hellenic Company of Telecommunications and Telemetric Applications Societe Anonyme” and trade title “Forthnet S.A.” for the period from January 1, 2019 to December 31, 2019, which were compiled according to the applicable International Financial Reporting Standards, as adopted by the European Union, provide a true and fair view of the assets and the liabilities, the equity and the results of the Company, as well as the companies’ which are included in the consolidation, according to that stated in paragraph 3 of article 4 of the L.3556/2007 and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

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

Iraklio, April 30, 2020

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

BOARD OF DIRECTORS' REPORT ON THE FINANCIAL STATEMENTS
of
«Hellenic Company for Telecommunications and Telematic Applications S.A. - Forthnet S.A.»
(according to the regulations of par. 6 of article 4 of L. 3556/2007)

Regarding the consolidated and separate Financial Statements
for the year ended December 31, 2019

The report of the Board of Directors of the Hellenic Company for Telecommunications and Telematic Applications S.A. (hereafter refer to as "Forthnet" or the "Company") has been prepared in accordance with the article 4, law 3556/2007 and refers to the Annual Financial Statements (Consolidated and Standalone) for the period January 1, 2019 to December 31, 2019.

The Board of Directors report includes an analysis of the Company's financial performance for the period January 1st, 2019 to December 31, 2019, the significant events that took place in the year 2019, a description of the main risks and uncertainties for the next financial year, as well as the prospects of the Group for the next financial year. The report also includes the corporate governance statement, the non-financial report, the significant transactions of the Group and the Company with their related parties, as well as other data required by the relevant legislation.

1. PERFORMANCE AND KEY FINANCIAL DATA

- Adverse current economic conditions in the Greek pay tv market lead to reduced positive operating results – EBITDA reached €37.1 million, decreased by 12.4% (2018: €42.3 million). Total revenue for the year (inc. other income) reached € 262.8 million decreased by 7.9% (2018: € 285.3 million). (2018 results included revenues of €4.3 million and EBITDA of €0.7 million relating to the operations of subsidiary Forth-CRS, which was sold in September 2018)
- Revenue from corporate customers remained almost steady with significant boost in advertising (5,8%) where the Company's market share is growing.
- The Group has 893 thousand retail subscriptions, serves 661 thousand unique customers, 551 thousand broadband subscribers and 457 thousand retail and wholesale Pay TV subscribers in Greece and Cyprus.
- The subscribers' base in Pay TV continue to be affected by the over-taxation of the consumers and the industry, as well as the distortions created in the market due to the unfair competition from multinational companies, which provide comparable services without being subject to the same tax burdens.
- Return of the broadband subscription base in a positive trend after the decrease of prior years.
- Forthnet is in the process of entering the mobile telephony market as a virtual provider (MVNO), providing total coverage of the needs of the Greek households for entertainment and communication.

	12M 2019	12M 2018	Variance
Total Subscriptions	**892,850**	**927,481**	**-3.7%**
Unique Customers	660,623	668,503	-1.2%
Households with 3play/Bundled Services	232,227	258,978	-10.3%
Broadband subscribers	550,967	550,135	0.2%
Pay TV retail subscribers	341,883	377,346	-9.4%
Pay TV wholesale subscribers	115,422	100,295	15.1%

According to **CEO, Mr. Panos Papadopoulos:**

"For another year, in 2019, we stood up to the challenges and we proved our resilience despite the adverse conditions in which we operate. We managed to maintain our strategic position in the Pay TV market and in the premium exclusive content by renewing our cooperation with Euroleague, the European basketball's top clubs competition, up until 2023 while at the same time we have improved our performance in providing broadband services where we are now showing growing trends.

And all this in an environment characterized by the over-taxation of the Pay-TV market as well as the unfair competition faced by multinational companies that provide similar services without being subject to the same tax burdens.

At the same time, and based on the agreement that we signed in the summer of 2019, we continue to work intensively with the aim to offer mobile telephony services and, thus, provide total coverage of the needs of the Greek households for entertainment and communication.

Finally, all this time, we have fully supported the process of finding an investor for the exposures of our bank lenders, not only by covering all the relevant information requests we have received through our bank advisors, but also by actively approaching and informing potential investors".

OPERATING PERFORMANCE

Bundling/3Play

As at December 31, 2019, Forthnet served 232.2 thousands households with Nova 3play/bundled services. The share of Nova 3Play subscriptions in Forthnet's customer base stood at 35.2 %.

	12M 2019	12M 2018	Variance
Households with 3play/Bundled Services	232,227	258,978	-10.3%
Households with 3play/Bundled Services as % of total	35.2%	38.7%	-3.6 p.u.

Telecommunication services

On December 31, 2019, active LLU customers stood at 538.8 thousands.

	12M 2019	12M 2018	Variance
Broadband subscribers[1]	550,967	550,135	0.2%
Active LLU customers	538,800	536,364	0.5%
Unbundling Ratio	97.8%	97.5%	0.3 p.u.
LLU market share	25.1%	25.3%	-0.2 p.u.

Pay TV services

At the end of December 2019 Pay TV retail and wholesale subscriber base stood at 341.9 and 115.4 thousands respectively.

	12M 2019	12M 2018	Variance
Pay TV subscribers Retail Greece & Cyprus	341,883	377,346	-9.4%
Pay TV subscribers Wholesale Greece & Cyprus[2]	115,422	100,295	15.1%
Total Pay TV subscribers	**457,305**	**477,641**	**-4.3%**

Financial Highlights for the year ended 2019

Consolidated revenue (incl. other income) for 2019 reached € 262.8 million, decreased by 7.9%[3] compared to 2018, due to stagnation in the consumer spending, high taxation on our services, and a more conservative commercial approach followed by the Company due to cash constraints, that led to a decrease in our subscribers base. Revenues from business services remained at the same level as in prior year 2018 while on the other hand, advertising revenue increased by 5.8% as a result of constantly upgraded content of NOVA. Other revenues decrease in current year refers to the revenue provided by Forth CRS in 2018, a subsidiary sold in September 2018.

Revenue analysis (€ '000)	**12M 2019**	**12M 2018**	**Variance**
Total Retail	**179,198**	**196,746**	**-8.9%**
Telco Retail	103,314	108,624	-4.9%
Pay TV Retail	75,884	88,122	-13.9%
Total Business	**58,419**	**59,136**	**-1.2%**

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[1] Active and under activation subscribers
[2] Total wholesale subscribers in Greece and Cyprus (Vodafone, Wind, Cyta Cyprus, Cablenet, MTN και Primetel)
[3] Excluding the effect of the revenue and other income related with the subsidiary Forth CRS which was sold in 2018, the decrease in revenue and other income would be 5,9%

Telco Business	33,672	34,548	-2.5%
Pay TV Business	24,747	24,588	0.6%
Advertising	**9,856**	**9,317**	**5.8%**
Other revenues	**15,309**	**20,044**	**-23.6%**
Total revenues (incl. other income)	**262,782**	**285,244**	**-7.9%**

EBITDA for the year ended 2019 amounted to € 37.1 mil., compared to € 42.3 mil. for the year ended 2018, affected by the decrease in our subscribers base, the pressure on prices and the adverse macroeconomic environment.

EBITDA analysis (€ '000)	**12M 2019**	**12M 2018**	**Variance**
Revenues including other income	262,782	285,244	-7.9%
EBITDA (after IFRS 16 positive effect)	37,080	42,346	-12.4%
EBITDA (before IFRS 16 positive effect)	36,400	42,346	-14.0%[4]
EBITDA margin (after IFRS 16 positive effect)	14.1%	14.8%	-0.7 p.u.
EBITDA margin (before IFRS 16 positive effect)	13.9%	14.8%	-1 p.u.[5]

It is noted that EBITDA ratio (operational earnings before interest, taxes, depreciation and amortization), which is a non-IFRS measure, is calculated as follows:

	The Group	
	31.12.2019	**31.12.2018**
Revenue from contracts with customers	259,865,345	281,594,563
Rental income	105,294	-
Other income	2,811,433	3,648,948
Operating expenses before depreciation, amortization and impairment	(224,790,555)	(241,960,537)
Less: Goverments grants amortization	(912,002)	(936,806)
EBITDA (after IFRS 16 positive effect)	**37,079,515**	**42,346,168**
EBITDA improvement from IFRS 16 implementation	679,359	-
EBITDA (before IFRS 16 positive effect)	**36,400,157**	**42,346,168**

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

	Group	
	01.01. - 31.12.2019	**01.01. - 31.12.2018**
Telecommunications costs	(76,826,785)	(78,573,469)
Royalties and licenses	(65,257,835)	(69,822,058)
Cost of sales of inventory and consumables	(1,755,694)	(1,827,271)
Advertising and promotion costs	(4,391,064)	(5,112,602)
Payroll and related costs	(31,532,447)	(33,843,390)
Sundry expenses	(45,026,729)	(52,781,747)
Operating costs before depreciation, amortization and impairment of investments	**(224,790,555)**	**(241,960,537)**

At Group level, the total bank borrowings (bond loans and short-term borrowings) as of December 31, 2019 amounted to €256.1 million[6], and is decreased by € 0.2 million compared to 31 December 2018 (31 December 2018: € 256.3 million).

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[4] Excluding the effect in 2018 of Forth CRS's EBITDA as well as the effect of the gain recorded due the subsidiary's disposal, the decrease would be 8,6%

[5] Excluding the effect in 2018 of Forth CRS's EBITDA as well as the effect of the gain recorded due the subsidiary's disposal, the decrease would be 0,4 p.u.

Finally, it is noted that due to a correction of prior year error in the current period, the "Accumulated Deficit" at Company level as at December 31, 2018 has been improved by € 4,446,743 while "Contract Costs" and "Deferred Tax Receivables" are presented increased and decreased by € 6,091,142 and € 1,644,399 respectively. It is clarified that this correction did not affect the Group. A reference to the error and further details are included in Note 7 of the financial statements.

2. SIGNIFICANT EVENTS FOR THE YEAR ENDED 2019

Content Rights
During 2019:

- **With regards to the cinema and entertainment content**, Nova enriched with new series & box sets the content line-up licensed through Sony Pictures via its multi-year agreement, which was only recently renewed, securing this way more categories of content, with enriched rights for the on demand world.
- Nova continued the multi-year collaboration with Spentzos Film, with new packages of 1st Pay content.
- Nova closed new content packages with international content providers for Novalife channel.
- Nova concluded a multi-year deal with FREMANTLE MEDIA INTERNATIONAL, which is a top entertainment/talent shows provider, for certain of the most popular talent shows.
- Nova created new categories and special tributes, like the Book Club tribute, Easter Kids tribute, Happy Mother's day, Cannes festival, Kids Summer Camp for our young friends, Emmy 2019, Wedding Tribute, DC Heroes, War World 2, Rocky Tribute and others, targeting subscribers' satisfaction as concerns the variety of content, for the linear channels but mainly for the on demand service.
- Nova further enriched the content for the Nova On Demand and Nova GO services, adding a significant slate of new box sets from content providers of significant value, like HBO, CBS, LIONSGATE, MGM, FREMNATLE, SONY and others.
- Nova created a few pop up Nova branded cinema channels for its subscribers:
    - the channel of the awards, **NovastarsHD** (with movies that have achieved distinctions at the international awards ceremonies, but also at the most famous film festivals),
    - The **NovaRockHD** thematic channel, on the occasion of the big premier of the year, ie the Bohemian Rhapsody movie, but also of the World Music Day in June,
    - the **NovaThronesHD** thematic channels, offering to Nova subscribers the opportunity to watch all over again all previous seasons of the unprecedented success of a series, Game of Thrones, as well as the grand finale of the series, enhanced by multiple backstage content, interviews, making off, and exclusive stories/trivia from the shootings!
    - and finally, the Nova Christmas channel with daily blockbusters and family & kids movies;
- Nova enriched its bouquet with a new channel, Insight TV, which is the ultimate channel of actions & adventure, as well as another new channel, MyZenTV, which is the popular channel of well being (with yoga, pilates, suggestions for a better life, etc.), both airing in Greece for the first time.
- Furthermore, Nova replaced History channel by Viasat History HD, which is the channel thru which history is revived, with lots of fascinating documentaries for historical events & very important personalities.
- Moreover, the Greek channel One Channel was added on Nova's bouquet, which is transmitted in high definition and offers informative and political programs, magazines and news programs.
- Furthermore, Nova renewed its current agreement with the group of Discovery, for a multi-year deal, as concerns the distribution of the channels DISCOVERY / EUROSPORT / ANIMAL PLANET / TRAVEL CHANNEL.
- News channel NHK World Japan and Travel Channel are now broadcast on high definition, offering their abundant content to the subscribers with the best visual and audio quality.

- **With respect to the premium sports** , Nova secured the rights of selective football clubs for the broadcasting of their home matches in the context of the Greek Super League 1 Championship, as well as for their friendly and european home qualifier matches. More specifically for the season 2019-2020 the vast majority of the most commercially attractive matches of the Greek Super League 1 Championship including OLYMPIAKOS, PANATHINAIKOS, AEK, ARIS, AEL, PANIONIOS, ASTERAS TRIPOLIS, OFI, VOLOS will broadcast exclusively on Nova.
- Furthermore, Nova extended its partnership with Euroleague, thus securing up until the season 2022-2023 the exclusive broadcasting of the leading European basketball teams' competition «Euroleague Basketball» (in which there is a secured participation of the basketball teams of Panathinaikos and Olympiacos), as well as the "Eurocup" competition,

[6] Excluding the convertible bond loan

which is considered as the second most important basketball competition in Europe and where the Greek team of Promitheus Patras also participates.

- In addition to the above, the Company not only did it maintain the exclusive broadcasting rights of top sports properties, such as the famous Italian football Championship (Serie A), the renowned French Football Championship (Ligue 1), but at the same time it extended for three additional years its agreement relating to the exclusive broadcasting of the most renowned and iconic tennis tournament of The Wimbledon Championships. Moreover, Nova added important new properties to its portfolio, such as the German National Football Cup ("DFB-Pokal") and the Spanish Super Cup and renewed its agreements for a multitude of other interesting properties, like the Dutch Football Championship (Eredivisie), he top international summer football tournament "International Champions Cup" , two of the major golf tournaments (PGA of America Championship , R & A Open Championships), thus reinforcing its programme and the available choices for its customers.

Network Development and Investments
During 2019, Forthnet:

- Upgraded its international link capacity, reaching a total of 233 Gbps at the end of 2019. The capacity for Content Delivery Network (CDN) services in Athens and Thessaloniki (Google, Akamai, Facebook, Netflix) upgraded to 368Gbps.
- Upgraded the capacity of the national DWDM transmission network, that support all broadband services, by 200Gbps reaching a total capacity of 1,65Tbps.
- Expanded the provision of VPU/VDSL services in 52 Local Exchanges by implementing the appropriate interconnections with OTE.
- Enabled an additional Facebook CDN in Thessaloniki in order to improve the related services to its subscribers.
- Redesigned and upgraded IP nodes serving enterprise customers to reduce operational cost and to fulfill the increasing demand for ultra fast broadband services to enterprises.
- Upgraded backbone links in Athens to 100G capacities in order to efficiently cover the increased needs of capacity emerged from new services and content demand.
- Redesigned and upgraded the network and security infrastructure in enterprise customers' datacenter (EXAE) in order to develop new and further secure the services portfolio.
- Completed the migration of all voice interconnections to IMS infrastructure.
- Upgraded the IMS software to ensure continuity and smooth operation of voice services.

Innovation and New Services
During 2019, Forthnet:

- Finalized the supply tenders for the selection of technology and services vendors in the framework of MVNO network and services development.
- Completed the development of MVNO core network to support mobile voice, data and messaging services in cooperation with the selected vendors and the Mobile Network Operator.
- Developed and provided the new OTT service "Novaflix", that allows subscription and consumption of NOVA content through new applications for Android & iOS terminals and Web portal.
- Provided new telephony service for Small Medium Enterprises based on direct SIP interconnection of Forthnet network to the IP-PBX of end customer.
- Enabled interconnections with wholesale access providers (Vodafone & Wind) and activated NGA/VLU services in 45 new Local Exchanges
- Optimized customer support by providing innovative fault management and monitoring tools to field engineers, improving operational processes and reducing the average troubleshooting time.
- Participated successfully in a number of European Research Projects, within the HORIZON 2020 framework, in collaboration with prominent EU research institutes. Engaging in these projects helps the Group develop experience in order to provide sophisticated services and improved customer experience. Specifically:
    - The SpeechXRays project has been completed. SpeechXRays developed innovative, highly precise and user-friendly authentication algorithms targeting users of electronic service.
    - The implementation of Safe-DEED project continues in 2019. As part of the project, secure data exchange algorithms and processes will be implemented both within the company and with third parties e.g. specialized data analysis consultants.
    - The 5G-SOLUTIONS project was launched in 2019. The aim of the project is to measure quality indicators of services available over 5G networks. The service categories that will be tested using the pilot 5G networks available to the project are: Factories of the Future, Smart Energy, Smart Cities & Ports, Media & Entertainment.

- Award of the TRUSTS project was announced in 2019. The project launched in January 2020 and aims at creating a data marketplace able to fulfil business needs of identifying, procuring and analyzing external datasets based on international interoperability and security standards.

3. PROSPECTS FOR THE NEXT FINANCIAL YEAR 2020

For 2020, 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. In this framework, Company is preparing to enter in the mobile market through MVNO. 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 2020, 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 improvement of customer experience 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, company will:

- launch mobile services in order to cover entertainment and communication needs for all members of Greek household.
- enhance multi-play services with add-ons which will improve the overall customer experience at an affordable price
- exploit Nova Energy services in an effort to cover in an integrated manner the needs of Greek households

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

In accordance with international trends, the strategic positioning of the company requires further enhancement of its ability to provide content services using other media (e.g. the Internet). In this direction, a further enhancement of new OTT service "Novaflix" is being prepared in order to be available to Smart TV devices. The new service targets mainly non-pay tv subs for broadband market.

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

As regards Services for Business Customers & SMEs, in 2020 emphasis will remain on the further exploiting the potential of the SME market and Advertising. At the same time, efforts to promote bundled services focusing on the particular needs of small and medium-sized enterprises will intensify. Also, the company will focus on the public sector market by targeting to assume certain part of the Syzeyxis II project (a large project of the Gree State which upgrades the public sector's telecom infrastructure.

Investments
Investments planned for the year 2020 aim at improving and safeguarding the services offered, as well as creating the supporting infrastructure for the provision of new services. More specifically, the following are planned:

- The completion of all projects related to the launch of Mobile services.
- The upgrade and development of new DWDM backbone links to 100G in Athens and Thessaloniki, in order to efficiently cover the increased needs of capacity emerged from new services and content demand.
- The expansion of its Fiber to the Business network in order to increase its capacity and ability to offer ultra-high capacity and high quality services to enterprise customers segment.
- The expansion of coverage for VDSL and other NGA services (Vectoring & FTTH) provision.
- The upgrade of the platform supporting the Over the Top services with new capabilities and up to date features
- The development of new applications for the provision of Novaflix service to SmartTV devices.

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

4. PRINCIPAL RISKS AND UNCERTAINTIES FOR 2020

A. Risks associated with the macroeconomic environment

- The global outbreak of COVID-19 and its serious effect on the international as well as the Greek macroeconomic environment, 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 and in unemployment due to the COVID-19 crisis and its multi-level impact on the Greek economy as well as the society as a whole, could adversely affect demand for the Group's products and services, which could have an adverse impact on the Group's business activity, financial situation, results and prospects

- Management continuously estimates the possible impact of any changes in the macroeconomic and financial environment in Greece, in order to ensure that all necessary actions and measures are taken so that the effect on the Group's activities is minimized. Management cannot accurately predict the possible development in Greek economy; however, based on its evaluation, Management has concluded that no additional impairment provisions of financial and non-financial assets of the Group on December 31, 2019 are needed

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

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

  In the view of the Group's Management, considering the current data and the requirement of successful completion of the Refinancing of the group's borrowings deriving from the contracts of the ordinary bond loans issued by the Company and Forthnet Media, amounting to EUR 255 million in total, concluded by the Company and its subsidiary, Forthnet Media S.A. ("FM") and lending banks ("Existing OBLs", see also Note 8 of current financial statements, "Going concern"), cash needs for the 12 months following the signing of these financial statements will amount to approximately EUR 57.3 million (25.5 million relating to financing and 31.8 million to working capital). Management will aim at covering this amount by further reducing the Group's operating cost, extending the repayment time of its suppliers, taking out a new short-term loan and, finally, raising new capital from the Shareholders and/or any interested third-party investors. As to the last option, it is noted that Nomura International plc., authorized by each of the Alpha Bank, National Bank of Greece, Attica Bank and Piraeus Bank, has initiated a process for inviting potential investors to submit offers with regards to their exposures (including shares and convertible bonds) against the Company and its subsidiaries. This procedure is still in progress.

  If the above actions by Management and the process of Nomura International plc. do not succeed or prove inadequate due to the instability and uncertainty in Greece and internationally, as well as the uncertainty concerning the implementation of these actions (particularly those not exclusively dependent on the Group's Management), result 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.

  It is noted that on December 31, 2019 the Company's net assets have become negative and therefore the conditions of par. 4 of article 119 of Law 4548/2018 are met, requiring the Board of Directors to convene the general assembly of shareholder on taking the appropriate measures. The Company's Board of Directors will convene the general assembly of shareholders on the issues provided by article 119 of Law 4548/2018 before the expiration of the six-month period from the end of the year, ie on June 30, 2020.

- 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 8 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 was required, *inter alia*. Through the issued convertible bond loan, the Company raised the sum of € 70,124,680 in total, certified its partial subscription and paid the lending banks the necessary minimum sum of € 70 million. Thus, the main requirement undertaken by the Company to the lending banks for the Refinancing of the Existing OBLs was fulfilled. Having fulfilled the main obligation of repaying the sum of EUR 70 million, during fall of 2017, the Group was in advanced discussions with its lending banks in order to sign the relevant contracts and complete the Refinancing of the Existing OBLs. These discussions have not yet reached a conclusion, as the creditor banks have intitiated in the meantime the Nomura process, which is still in progress, with the aim of reaching a broader restructuring of the Group's obligations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

  The Group is able to provide services only to the extent to which it can maintain and support its network systems facing failures due to connection problems or blackouts, natural disasters, terrorist actions or sabotage, computer viruses and unauthorized access. Furthermore, to the extent that a disruption or breach of security lead to loss or destruction of data or client applications or to improper disclosure of confidential information, the Group could incur major expenditure, including liability and the cost of restoring the losses caused by the disruptions or security breaches in question, especially in view of the forthcoming implementation of the General Data Protection Regulation (EU Regulation 2016/679) from 25.05.2018 onwards. System failures, accidents, security breaches that cause the Group's work to cease and the loss or destruction of customer data or applications or improper disclosure of confidential information could lead to loss of customers and have a substantially adverse impact on the Group's business activity, financial situation and operating results. Furthermore, the operation of satellite is beyond the Group's control. Satellites are subject to substantial risks, such as defects, incorrect orbital position, destruction and/or damage that could block or hinder proper business activities.

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

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

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

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

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

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

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

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

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

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

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

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

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

5. COVID-19 – IMPACT ASSESSMENT

The COVID-19 outbreak in Greece put the country in a crisis mode, and the Government took immediate measures trying to limit to the extent possible the profound effect on society and the economy, as it affected not only the general population, but a lot of organizations and businesses as well.

The Greek government's efforts aimed at containing the spread of the virus in an efficient manner, while at the same time securing jobs and the economy in general with financial support measures, payments postponement, support of employees and unemployed etc.

At the same time Forthnet Group acted equally promptly by taking actions so as to ensure the:

- Health & safety of the employees and partners
- Operational continuity
- Minimization of business and financial effects of COVID-19 to the extent possible

While the duration of the emergency measures may not be predicted, Forthnet Group proceeded in analyzing the effect on its finances under the assumption that the lock down will cease mid May and built two scenario, one by which normal business, including sport events, bounces back soon after the cease of the lockdown, and another where normality slowly returns by mid summer.

The related events, actions taken by the Forthnet Group and a first estimation of the financial effects of Covid-19 are analyzed below.

COVID-19: Forthnet Group's first response

Learning from the other Countries' experience and immediately after the first COVID-19 incidents started to spread in Greece, Forthnet Group took immediate actions to:

- Inform employees and partners on the issue and provide guidance on precautionary measures
- Safeguard business continuity & prepare for potential employee infection cases
- Create a mechanism for systematic communication with stakeholders

A "BCP-COVID-19" crisis management team was activated with the task of safeguarding business continuity and handling communications. It proceeded in:

- Identifying the minimum staff required to safeguard the continuity of operations
- Ensuring remote working by providing the infrastructure and access to 90% of the employees, namely all except staff needed on site
- Creating messaging material for all stakeholders, under alternative scenario for communication purposes
- Setting up "emergency work stations" for Customer Care Agents (Internal + External) in case of an employee was infected
- Issuing strict directions restricting travelling, receiving guests and large meetings and ultimately general circulation to and from work
- Procuring and offering personal hygienic items such as antiseptics, gloves, masks, etc

COVID-19: Measures taken by the Government

LOCK DOWN: On Sunday, March 22 2020, a general lock down was imposed in schools, universities, churches, restaurants, cafes, shops and most other areas of the economy , where there people would come in close contact with each other.

Citizens were allowed to circulate only to go to work or for specified personal reasons, by sending an SMS or filling a form. Detailed directives were issued regulating employment and all areas of economic and social activity.

Supermarkets, pharmacies, car repair shops, telco services shops (including NOVA shops) and shops offering vital services to the public remained open.

FINANCIAL SUPPORT PROGRAM: A large financial support program was announced by the government , including measures to provide relief to businesses that have been ordered to close and their employees, or have been severely affected; to delay payment of obligations toward the state (taxes, social security) for 4 months and in general to provide the economy with specific tools in order to face the crisis.

Forthnet Group is monitoring developments in order to take advantage of applicable benefits.

COVID-19: Forthnet Group's social & commercial actions

With the aim of providing relief to the Greek population and its clients during these challenging times Forthnet Group:

- Supported the Greek Government's "Stay at home" campaign, using famous athletes, coaches and journalists to transmit socially important messages while referring to NOVA services
- Actively supported the #DigitalSolidarityGR campaign of the Ministry of Digital Governance by offering to it's subscribers who did not already have that service, unlimited calls fixed to mobile phones, as well as all the Novacinema channels
- Enhanced the content, also available in Nova On demand, for its Pay-TV customers, adding films and series for adults and kids, new channels and pop-ups relating to e-sports and wellness such as:
  i. The Novacinema extra HD channel dedicated on series marathons for binge watching
  ii. The James Bond tribute at Novacinema3HD every night, also available in Nova On Demand
  iii. Kid's fun zone, with extra material from Disney, Nickelodeon and Boomerang.
  iv. A Fitness zone including the My ZEN TV channel
  v. The e-playoffs 2020, a series of live e-sports events fully supported by Nova's best journalist, players, distributed through the web and YouTube
  vi. Sports Icons documentary series («Club land», «National Icons», «Dream Teams», «Football's greatest stage»)
- Offered the Novaflix streaming services to tablets, smartphones και laptops, but also to big screens through an Android TV application

COVID-19: Forthnet Group's operating status post measures

Following the imposition of general curfew, Forthnet Group proceeded in the adoption of a series of precautionary measures for its employees and partners and more specifically:

- Launched a systematic communication plan including information, hygiene practices, etc.
- Adopted immediately the remote work mode, so currently 90% of employees are working from home
- Reduced opening hours for NOVA shops
- Performed teleconferences with the Nova Franchisees in order to inform them

Forthnet Group during the COVID-19 crisis offers uninterruptedly high quality services to its customers by:

- Operating at 100% functionality, albeit working remotely
- Enhancing its network by adding new circuits so as to cope with increased traffic
- Supporting customers remotely, by enhancing features and by using tools such as live chat

At the same time, Forthnet Group serves during these challenging times:

- Approximately 600K households and 40K corporate and SME customers
- Businesses that are essential for the country's supply chain such as pharmaceutical companies and distributors, large supermarket chains, banks, oil companies
- 190 public organizations, including 24 hospitals /health centers and EODY (The national health organization administering the response to COVID-19)
- With a 4-digit line (1135) offering COVID-19 related information to the general public

COVID-19: Areas affected

The COVID-19 crisis is having a direct impact in Forthnet Group in the following areas:

- Sports content: The suspension of championships and games has made live sports content unavailable
- Corporate/Small and Medium enterprises (SMEs) closures: The mandatory closure of many businesses has affected mainly the SME segment, most importantly bars/cafes and hotels
- General population curfew: The restrictions in peoples' circulation have affected bill payments made through customers' physical presence in banks and Nova shops
- Fixed network : There is enhanced demand for network upgrades as internet traffic increased by more than 50% post the virus outbreak, with voice also following
- Commercial operations: The restrictions imposed on Novashops prevent the sales of products and services while there is higher demand for NGA broadband offerings.
- Customer Care : The transition to remote operation in combination with enhanced demands due to the situation makes it more difficult to keep customer service to the highest levels.

COVID-19: Impact on the financial operation of Forthnet Group

Based on scenarios analyzed by Forthnet Group's management and according to the evidence available so far, COVID-19 crisis could negatively affect budgeted operating results (EBITDA) of the year 2020 by an estimated amount that can reach € 4,7 million. The management is currently considering various mitigating measures that are assessed as capable to reduce or eliminate the aforementioned negative effect and which are comprised of:

- Renegotiation of content contracts
- Reductions in capex spending
- Reductions in commercial spending
- Additional operating cost reduction measures

In addition, it is noted that two subsidiaries of Forthnet Group and more specifically Forthnet Media S.A. and Netmed S.A. Operated in an economic sector / code (ΚΑΔ) which is included in the list of sectors / codes affected by the COVID-19 crisis, as determined by Greek Government. Consequently, those 2 subsidiaries will be able to take advantage of the relief measures passed which mainly include:

- The postponement of payments of taxes due in in March and April 2020 to August 2020 and of social security contributions due in March and April 2020 to September and October 2020 respectively.
- Right to get by landlords a 40% rent reduction for April 2020

Opportunities
Forthnet Group’s management estimates that the COVID-19 crisis has accelerated dramatically the learning curve and transition of Greece towards a digitalized, remotely operated future. Many demographic groups that previously had high percentages of digital illiteracy, have been pushed to enter the world of social media, apps etc.
These trends presents a host of opportunities for Forthnet that relate to:

- Payments: Customers substitute payments with physical presence in Nova shops / Banks with remote electronic payments
- Customer acquisition: Customers are educated to use digital channels, enabling Fortnnet Group to reduce dependence on more expensive distribution channels
- Customer support: The success of the “live chat” function during the crisis, points to acceptance of the digitalization of customer support activities going forward
- Advertising and Promotion: More people and demographics can now be reached through targeted digital marketing campaigns
- Content distribution: More people would be eager to proceed to hybrid solutions with respect to their DTH PAY-TV platform and also the usage of OTT solutions

COVID-19: Conclusion
The COVID-19 crisis was a sudden, unpredictable event that is putting a tremendous strain on the global and local economies and societies.

The Company and the Forthnet Group have responded immediately to the challenges, safeguarding the safety of their employees, the continuity of operations and the uninterrupted service provision to their clients.

The Company and the Group are monitoring developments and are taking the necessary measures in order to minimize the effect of COVID-19 on their financial position.

6. NON-FINANCIAL REPORT

A. Business Model

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

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

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

Additionally, the Group continues to introduce new value-added (OTT) services to enhance customer experience. By taking full advantage of new technologies and establishing the foundations for the future, company offers the Nova GO and Nova On Demand services so that subscribers can view the content at their own convenience, from any location, through the Internet. Moreover, the Company developed a new OTT service “Novaflix”, that allows subscription and consumption of NOVA content through new applications for Android & iOS terminals and Web portal. The new service targets mainly non-pay tv subs for broadband market.

Also, Forthnet launched Nova Energy in order to cover in an integrated manner the needs of Greek households for communication, entertainment and energy. By further enhancing its bundled services the Company offers a total experience under the strong and recognizable brand Nova.

In this framework, during 2020 the Company will enter the mobile market as a MVNO in that way covering the entertainment and communication needs for all members of Greek households.

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

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

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

The Group's priority is to make use of all potential sales mechanisms to reach all market sectors. Aside from the chain of Nova stores, which are the Group's main sales vehicle, focus is also placed on promoting its services through its other sales networks, such as retail chains, resellers through physical points of presence and telesales.
As regards its distribution of services to corporate customers, the Group offers its products and services through the Corporate Sales Department, the Nova stores and door-to-door sales representatives. At the same time, it provides a pre-sales team which works with the sales team to design specialized solutions for telecommunications and pay TV that meet the particular needs of any large Company.

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

B1. SOCIAL SOLIDARITY

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

B1.a. SUPPORT TO CHILDREN IN NEED

Forthnet constantly supports through targeted actions children growing up in volunteer and State child care and protection institutions

Action: "Employees voluntary donation in bazaars events"

This action provides financial support to children caring and housing organizations, through the organization of seasonal bazaars (such as the Easter Bazaar) which take place either at Forthnet's administrative facilities around Greece, or at Nova shops chain. The action took place over Easter 2019 at selected Nova shops in Athens, Thessaloniki and Larissa.

Action: "Nova offers to children!"

In the context of this specific action Forthnet offered "Nova Full Pack" service (including equipment and installation) free of charge for 2019, to organizations involved in the long-term care and housing of children, to pediatric clinics and juvenile detention centres in Greece. This action aims to provide qualitative television entertainment to children.

Financial support

Forthnet provides financial support to a number of bodies involved in child care and protection through targeted actions. In 2019, the Company funded a sports club for children with disabilities. The mission of «Hippocampus -AMEA" is to support the physical exercise and psychological development of children with disabilities through sports and other cultural activities

B1.b. SUPPORT OF EDUCATION

Forthnet supported education in 2019 as well, through donation actions to schools.

Action: "Donation of technological equipment to educational institutions"

This action involves the donation of technological equipment to Greek educational institutions to support their operational needs and to enhance their IT laboratories. In 2019, the Company donated dozens of pieces of equipment (such as printers, fax machines, PCs/laptops and others) to various schools throughout Greece, in response to their individual requests.

B2. SPORTS

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

Support to athletes with disabilities

Forthnet is the strategic partner of the Hellenic Paralympic Committee, which is responsible for developing and promoting the Paralympic movement throughout Greece, in addition to selecting members for the national teams that will attend the Paralympic Games.
Specifically, Nova, as the “Great media partner” of the Hellenic Paralympic Committee, organizes a number of actions to support the communication of the Committee’s work.

In 2019 the Novasports channels continued airing "The Hour of the Paralympic Champions", the weekly series created in 2017, dedicated exclusively to Paralympics events. ”. This programme not only covered Paralympic athletes’ achievements in various sport events, but also presented the human side of their daily struggle, as Nova’s priority is to focus on the real protagonists…the athletes.

Moreover, during 2019 the Company continued to enrich the content of the special section it has created on its website “www.novasports.gr”, where visitors can find TV programs dedicated to Paralympic athletes in addition to special programs that have aired on the Novasports channels. Novasports channels also covered various Paralympic games, events and homecoming celebrations welcoming athletes’ home returning from major athletic competitions.

Support to amateur sports

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

A.Promotion of running events

Forthnet supports, through Communication Sponsorships, a significant number of running events across the country, as part of the promotion of the importance of simple forms of sport for a better and healthier lifestyle in citizens' everyday life. More specifically, in 2019 "Nova" stood beside dozens of running events as Communication Sponsor. At the same time, the company also ensures to communicate this message to its employees and, in this context, it is constantly supporting the "Novasports Running Team".

B. Novasports Running Team

This Corporate Social Responsibility action covers not only Forthnet's employees, but also Company's business associates and subscribers. In cooperation with a run ex champion, the Company has formed the Novasports running team promoting the benefits of sports to healthy living. In the context of this action the Company supports the running team with sporting equipment and covers participation fee of the team's members to major running events in Greece.
In 2019, the populous Novasports Running Team took part in dozens of running events around Greece.

B3. CULTURE

Communication sponsorship of cultural events

Culture is one of major pillars of Forthnet's Corporate Social responsibility since its foundation. By serving as a communication sponsor for theatre performances, concerts and other cultural events, the Company consistently promotes the value of the arts to its subscribers urging them to attend and participate in Greece's cultural events.
In 2019, Forthnet S.A. supported more than 120 performances and cultural events.

Sponsorship of cultural organizations

This action entails sponsoring the provision of Forthnet portfolio of services to important cultural organizations of Greece.
In this sector of contribution, following completion of the expansion of the «Nova HotSpot» service in six of the Benaki Museum buildings, Forthnet continued in 2019 to fully manage and provide technical support on a 24 hour basis to the state of the art wireless broadband internet access network, which it installed at the Museum.
Forthnet provides the above services with safety 24 hours a day, supporting the museum's visitors access to Internet's information and changing the whole experience of their visit to this unique cultural organization.

B4. Protection of the environment

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

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

As part of these actions, the following quantities of materials were recycled in 2019:

TYPE OF RECYCLING	***QUANTITY***
Household batteries	528.40Kg
Lamps	208Kg
LEAD-ACID batteries	23,800 Kg
Paper	1,500Kg
Electronic equipment	6,000Kg
Used lubricants from generator maintenance	700 lt

C. Work environment - labor relations

C.1 Employees

As of 31.12.2019, the Company employs a total of 959 people (headcount). The majority of them (94.57%) work on a full-time, permanent basis (under full-time contracts of indefinite duration), making the Company one of the largest employers in Greece. (31.12.2018: 994 people (headcount), 92.5% on full-time, permanent basis). Additionally, the Company contributes substantially to the increase of overall employment, through the franchise network of NOVA stores, employing more than 410 employees. (31.12.2018: 435 employees)

The majority of people employed by Forthnet (96.98%) work in branches all around Athens. However, the company also operates branches in Thessaloniki and Crete.
Women reach a 43% of the total workforce. The majority of employees are graduates of higher-education institutions and universities, while there are at least 70 different areas of specialization.

C.2 Human Resource Development Systems & Policies

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

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

C.3 Corporate Culture

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

C.4 Labor Relations

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

C.5 Additional Benefits

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

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

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

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

C.6 Blood Donation

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

C.7 Health and safety at work

Safety at work for both employees and visitors is of great importance to Forthnet.

Company's facilities are regularly inspected to ensure their safety as well as to confirm that employees comply with established health and safety guidelines. Contractors performing work or offering services at Forthnet facilities are also asked to comply with current work health and safety laws.

Moreover, health and safety plans should be submitted before commencing and during the course of technical works.

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

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

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

D. Combating corruption and bribery

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

E. ISO Certifications

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

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

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

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

The certified service includes:

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

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

F. Participation in European and National Research Programmes

In 2019, Forthnet S.A. took part in three European and national research programmes.

1	5G-SOLUTIONS	Grant Agreement No 856691	• Call identifier: H2020-ICT-2018-3/ ICT-19-2019
2	SpeechXRays	Project No: 653586	• Call identifier: H2020-DS-2014-2015/H2020-DS-2014-1
3	Safe-DEED	Grant agreement no: 825225	• Call identifier: H2020-ICT-2018-2020/H2020-ICT-2018-2

All projects above are in progress in 2019 except SpeechXRays which concluded successfully within 2019.

During 2019 Forthnet participated as a partner in proposals submitted for funding through HORIZON2020 and are at the evaluation stage. Within 2019 the project TRUSTS (Grant Agreement No: 871481, Call identifier: H2020-ICT-2019-2/ ICT-13-2018-2019) has beed awarded. Commencement date is January 2020.

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

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

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

	The Group	
	31.12.2019	**31.12.2018**
Revenue from contracts with customers	259,865,345	281,594,563
Rental income	105,294	-
Other income	2,811,433	3,648,948
Operating expenses before depreciation, amortization and impairment	(224,790,555)	(241,960,537)
Less: Goverments grants amortization	(912,002)	(936,806)
EBITDA (after IFRS 16 positive effect)	**37,079,515**	**42,346,168**
EBITDA improvement from IFRS 16 implementation	679,359	-
EBITDA (before IFRS 16 positive effect)	**36,400,157**	**42,346,168**

The following tables present the most important APMs for the Group for the year 2019 and 2018:

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

	Group	
	31.12.2019	**31.12.2018**
Current assets	101,926,789	96,484,125
Current liabilities	482,929,628	461,422,549
Current ratio	**0.21**	**0.21**

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

	Group	
	01.01 - 31.12.2019	**01.01 - 31.12.2018**
Revenue from contracts with customers	259,865,345	281,594,563
Rental income	105,294	-
Other income	2,811,433	3,648,948
Operating expenses before depreciation and amortization and impairment of investments	(224,790,555)	(241,960,537)
Government grants	(912,002)	(936,806)
EBITDA (after IFRS 16 positive effect)	**37,079,515**	**42,346,168**
EBITDA (before IFRS 16 positive effect)	**36,400,157**	**42,346,168**
Finance costs	(15,107,779)	(16,041,804)
Interest coverage ratio (after IFRS 16 positive effect)	**2.45**	**2.64**
Interest coverage ratio (before IFRS 16 positive effect)	**2.41**	**2.64**

8. CORPORATE GOVERNANCE STATEMENT ON THE BASIS OF ARTICLES 152 & 153 OF L. 4548/2018

A) CORPORATE GOVERNANCE CODE

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

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

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

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

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

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

- the specific detailed procedure describing the preparation of the annual and interim financial statements,

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

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

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

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

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

Operation of the General Assembly

Preamble

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

Convening the General Assembly

The General Assembly of shareholders, shall meet regularly at the Company's registered office or in the region of another municipality within the prefecture of the registered office or in another municipality neighbouring to the registered office, or in the region of the municipality where the Stock Exchange is located. The General Assembly is convened by the Board of Directors, notwithstanding what is stipulated in article 121 of L. 4548/2018. The General Assembly must be convened at least once on each financial year, latest until the tenth (10^{th}) calendar day of the ninth month after the end of the financial year (ordinary General Assembly). The Ordinary General Assembly may also decide on any other matter of its competence. The Board of Directors may invite extraordinary General Assemblies as many times deemed necessary. (extraordinary General Assembly)

Notice to the General Assembly

The notice to shareholders for the General Assembly shall state the date, time and venue, with a precise address, of the assembly and the items on the agenda clearly, the shareholders entitled to participate, as well as clear instructions concerning the way in which shareholders can participate in the Assembly and exercise their rights in person or by proxy, as well as additional elements provided for by para. 4 article 121 of Law 4548/2018. This invitation, with the exception of repetitive General Assemblies and those assimilated to them, shall be posted on the website of the General Commercial Registry (ΓΕΜΗ) at least twenty (20) full calendar days before the Assembly date, and on the Company's website and it is published, according to the legislation in force. The day of publishing the Assembly's invitation and the day of its convention do not count.

Participation in the General Assembly

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

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

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

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

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

Regular quorum and majority in the General Assembly

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

Extraordinary quorum of the General Assembly

1. The General Assembly shall be considered to have a quorum and convene legally for the items of the agenda, when two thirds (2/3) of the paid-up share capital are attending or represented therein, and the relevant resolutions shall be made with a majority of two thirds (2/3) of the represented votes, in exceptional circumstances and for decisions concerning:

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

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

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

Chairman-Secretary of the General Assembly

1. The Chairman of the Board of Directors or his/her substitute, when the former is prevented, shall chair the General Assembly temporarily. If the latter is also prevented, the oldest of the present Directors shall chair the Assembly. A person defined by the Chairman acts temporarily as a Secretary.

2. After the list of shareholders with voting rights has been approved, the Assembly shall elect its Chairman and a Secretary, who shall also act as teller.

Matters discussed – Minutes of the General Assembly

1. The discussions and resolutions of the General Assembly shall be limited to the items set forth in the agenda published as per the provisions of article 11 of the articles of association. No discussions are allowed, except for the items on the business of agenda and amendments to the proposals of the Board of Directors and proposals for convention of another General Assembly as well as the provisions of articles 82 par. 1 and 141 par. 2 of law 4548/2018.

2. With particular regard to the valid General Assembly's resolution on financial statements approved by the Board of Directors, such statements must be signed by three different people and, specifically, the Chairman of the Board of Directors or his/her substitute, by the Chief Executive Officer and by the Chief Financial Officer.

3. Minutes shall be kept for all discussions and resolutions of the General Assembly, signed by the Chairman and the Secretary.

4. Following a request from a shareholder, the Chairman of the General Assembly shall ensure that shareholder's opinion in brief is included in the minutes in detail. The Chairman of the General Assembly is entitled to refuse to register an opinion if it refers to issues apparently out of the agenda or its content is manifestly contrary to morality or law. The list of shareholders attending the General Assembly in person or by proxy shall also be entered in the book of minutes.

Exclusive responsibility of the General Assembly

The General Assembly is the only competent instrument to decide for:
a) Merger, with the exception of the absorption of a 100% or 90% subsidiary Company (Societe Anonyme) according to articles 35 and 36 of law 4601/2019, - split, conversion, revival, extension of the term or dissolution of the Company, provision or renewal of power to the Board of Directors for the increase of the share capital, b) the issuance of a bond loan with transferable bonds according to article 71 of Law 4548/2018, c) Amendment of the Articles of Association including any increases, regular or extraordinary, and capital reductions, with the exception of the cases a) and b) of paragraph 2 of art. 117 of law 4548/2018, d) Appointment of members of the Board of Directors according to the provisions of articles 19 and 22 of the Articles of Association, e) Appointment of auditors, f) Appointment of liquidators, g) Distribution of the annual profits, with the exception of the distribution of returns or voluntary reserves in the current fiscal year upon resolution of the board of directors, in accordance with article 117 para. 2, case g of law 4548/2018, h) Approval of the balance sheet and any consolidated financial statements, i) Approval of the overall management in line with article 108 L. 4548/2018, j) Approval of the election of temporary members by the Board of Directors in accordance with article 22 of Articles of Association substituting those resigned, deceased or otherwise disqualified from holding their office, k) approval of salary payment or advance payments pursuant to art. 109 of Law 4548/2018, l) approval of the remuneration policy in line with art. 110 and the salary report of art. 112 of Law 4548/2018 m) any other matter expressly stipulated in the Articles or the law.

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

1. The Articles of Association of the Company are in accordance with the provisions of the Law 4548/2018 "Reform of the Law of Societes Anonymes".
The Company has adjusted its Articles of Association to the provisions of amended Law 4548/2018, as applicable, following a relevant decision of its shareholders' Ordinary General Assembly dated 28.06.2019.

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

Minority rights

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

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

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

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

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

5. The Chairman of the General Assembly is obliged, following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, to postpone for only one time the resolution process of the General Assembly, ordinary or extraordinary, on all or certain matters, establishing as resumption day of the meeting the one specified in the shareholders' request, but which may not be more than twenty (20) days from the date of postponement. The postponed General Assembly is a continuation of the previous one and it is not necessary to repeat the publication formalities of the shareholders' invitation. New Shareholders may also participate in this meeting, subject to the relevant participation formalities, including the provisions of paragraph 6 of Article 124 of Law 4548/2018.

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

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

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

9. In all cases referred to in this Article, the requesting shareholders must prove their shareholder status and, in addition to the above-mentioned indent 6, the number of shares they hold in the exercise of the relevant right. Proof of qualification as a shareholder may be made with the producing of a relevant written certification of the entity keeping the relevant securities or the certification of the shareholder's capacity through direct electronic connection of the Company with the latter. Proof of shareholder status can be carried out by any legal means, however, based on information received by the Company from the central securities depository, provided it offers registry services, or through the participants and registered intermediaries in the central securities repository in any other case.

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

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

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

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

1. Composition of the Board of Directors

The Board of Directors of the Company, according to its Articles of Association, consists of five (5) up to (9) members. The one third of the Board of Directors of the Company shall at least be non-executive members and includes at least two (2) independent non-executive members.
As soon as it is appointed, the Board of Directors shall be incorporated into a Body and appoint the Chairman, the Vice-chairman, the Chief Executive Officer and the Members. The current Board of Directors of the Company was appointed by the General Assembly dated June 30th, 2016 with a five-year term ending on 30.06.2021 and extended until the end of the period within which the next Ordinary General Assembly must be held. The Members of the Board of Directors are the following:

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

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

3. Konstantinos Stefanidis, non-executive member

4. Edwin Lloyd, independent non-executive member

5. Mohsin Majid, non-executive member

6. Bhavneet Singh, independent non-executive member

7. Michael Warrington, Independent non-executive member

8. Yiannos Michailides, non-executive member

2. Operation of the Board of Directors

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

The executive member of the Board of Directors should deal with the daily management of the Company. Any other member is considered non-executive member. The capacity of a member as an executive or non-executive shall be defined by the Board of Directors and validated by the General Assembly of the shareholders.

The independent members are non-executive members of the B.o.D that meet at least the independency criteria defined by law and are appointed by the General Assembly of the shareholders according to law 3016/2002.

3. Replacement of a member of the Board of Directors

The party that elect or appoint the Board of Directors may also elect or appoint alternate members of the Board of Directors in the event of resignation or death of the persons elected or appointed by them or lost the membership status of the Board of Directors for any other reason.
Furthermore, in the event of resignation or death or for any other reason loss of the qualification of member or members of the board of directors, , the remaining members, who may be no less than three, may appoint a temporary Board Member to replace the departing member for the remainder of their term. Such election is permitted provided that replacement of aforementioned members is not possible by substitute members that may have been appointed by the general assembly or may have been appointed by a shareholder or shareholders, in accordance with article 81, L. 4548/2018.
The appointment decision shall be submitted to the publicity formalities of L. 4548/2018 as valid, and announced by the Board of Directors at the next General Assembly, which may replace the appointed parties, even if the relevant item has not been included in the agenda. However, the actions of the temporary Member, from the time of its appointment up to the time the General Assembly may reject such appointment, are considered valid.

4. Convening the Board of Directors

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

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

c) In the event a request (on the basis of a penalty may be imposed if rejected) for discussing specific items is submitted by at least two (2) Members of the Board, the Chairman or his/her substitute is obliged to : a) include the issues mentioned by the request on the agenda of the first meeting of the Board of Directors after submission of the request; b) call a meeting of the Board of Directors, and set the date of this Meeting on a date no later than seven (7) days after submission of the request.

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

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

5. Board of Directors quorum and decision-making

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

b) Each Member has one vote.

c) Resolutions of the Board of Directors are made with an absolute majority of the members who are present and represented.

d) Representation in the Board may not be delegated to persons who are not members thereof, unless said delegation is entrusted to any alternate member of the Board of Directors.

6. Minutes of the Board of Directors

Minutes of the discussions and resolutions of the Board of Directors shall be kept in a special book, which is signed by the Chairman or his/her substitute; such minutes may also be kept in electronic form. At the request of a member of the Board of Directors, the Chairman is obliged to enter in the minutes a summary of that member's opinion. The Chairman is entitled to refuse the registration of an opinion, which refers to matters obviously out of the agenda or its content is manifestly contrary to morality or law. This list also includes a list of members of the Board of Directors present or represented at the meeting. The drawing up and signing of minutes by all members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors, even if no meeting has taken place. This arrangement applies even if all the consultants or their representatives have agreed to make a majority decision in minutes without a meeting. The relevant minutes are signed by all the Board members. Nevertheless, signatures of members or representatives thereof may be replaced via exchange of electronic mails (email). Drafting of minutes in accordance with the present is entered into the minutes' book according to article 93, L. 4548/2018

7. Committees for the support of the Board of Directors

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

Audit Committee

Composition of the Audit Committee

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

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

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

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

Audit Committee's meetings

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

Audit Committee's Duties and Responsibilities

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

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

- Informs the Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial information and which was the Audit Committee's role in the process.
- Supervises the financial reporting process and makes recommendations or proposals to ensure its integrity. It contributes to effective communication between the Internal Auditors, the External Auditors, the Senior Management and the Board of Directors. It monitors the statutory audit of the annual and consolidated financial statements and in particular its performance and recommends their approval to the Board of Directors.

- Oversee independence of external auditors. The Audit Committee is responsible for the procedure of the selection of external auditor(s) and recommends the external auditor(s) to the Board of Directors. It reviews the performance and the independence of external auditors while it monitors the provision of non-audit services to the Company in accordance with Article 5 of the Regulation of the European Parliament and the Council of the European Union (EU) No 537/2014.

- Monitor the effectiveness of internal control, quality assurance and risk management systems. The Audit Committee monitors the processes used to control the operations and finances of the Company. The Audit Committee ensures that the Internal Auditors have the appropriate resources and access to required information to fulfil their duties. The Audit Committee reviews and approves the Internal Audit Charter.

- Oversee performance of Internal Audit. It reviews and approves the Annual Audit plan proposed by the Internal Audit department. The Audit Committee reviews the reports prepared by Internal Audit and authorizes it to investigate any matter brought to its attention within the scope of its duties.

- Review risk management. The Audit Committee reviews the risk management methodology in use at the Company. The Audit Committee reviews the major risks facing the Company, the mitigation plan and progress against the mitigation plan.

- Reviews significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understands impact on the financial statements.

- Complies with the relevant recommendations, instructions, decisions and orders of the Hellenic Capital Market Commission or any other competent supervising authority that may be issued from time to time, with relation to the proper implementation and interpretation of the legislation regulating the Audit Committee's operation.

Jurisdiction

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

<u>Strategy Committee (SC)</u>

Strategy Committee Members

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

The Strategy Committee has the following responsibilities:

- provides oversight and guidance to the Company within the guidelines and framework set by the Board.
- acts instead of the Board in between regularly scheduled meetings of the Board, when authority in this regard is expressly delegated to it by the Board.
- monitors, reviews and makes recommendations on the strategic, business and financial direction and performance of the Company.
- makes recommendations on and monitors investments, acquisitions and disposals and business development activities of the Company.
- reviews and makes recommendations on the Company's financial reporting processes.
- reviews and makes recommendations on all contracts proposed to be entered into by the Company, as these contracts will be forwarded to it by the Purchasing Committee (in accordance with the Purchasing Committee Terms of Reference), and according to the thresholds defined in the Financial Authority Matrix.
- forwards to the Board of Directors proposed contracts that are referred to it by the Purchasing Committee and which imply financial implications exceeding the Strategy Committee's competence in terms of the Financial Authority Matrix.
- reviews and monitors the materialization of all TV rights agreements, and the agreements that are relevant to the telecommunications services provision, as well as any other agreement that the Board of Directors considers each time appropriate.

Strategy Committee Meetings

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

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

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

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

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

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

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

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

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

The Human Resources (HR) Committee

Composition of the Human Resources (HR) Committee

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

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

The HR Committee is created by the Board of Directors of the Company in order to:

- oversee the Company's compensation and benefits policies generally;
- oversee and set compensation of the Company's CEO and c-level executive officers;
- evaluate performance of the Company's CEO and c-level executives, executive officers and approve changes proposed by the CEO in c-level management;
- propose executive, non- executive and non-executive independent Board Members to the Board after discussion among non-executive members of the Board of Directors that participate in the HR Committee;
- recommend the compensation policy applicable to the members of the Board of Directors, having regard to the Corporate Governance Code, international best practice and the specific circumstances, prior to the recommendation submitted by the Board to the General Assembly of the Company Shareholders on the same issue;
- review the Company's management succession plan;
- oversee the Company's compliance with its Corporate Governance Code regarding the issues of the Committee's responsibility and
- review any other matters as may be requested of it by the Board from time to time.

HR Committee meetings

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

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

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

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

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

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

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

HR Committee's Duties and Responsibilities:

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

Compensation Policies

The HR Committee shall review and approve the Company's compensation and benefits policies generally, including reviewing and approving any incentive- compensation plans and equity-based plans of the Company. In reviewing such compensation and benefits policies, the HR Committee may consider the recruitment, development, promotion, retention and compensation of employees, the financial and operating circumstances of the Company and any other factors that it deems appropriate.
Specifically regarding the remuneration policy of the members of the Board of Directors, the Ordinary General Assembly dated 28.06.2019 has approved of the Remuneration Policy of the Members of the Board of Directors pursuant to articles 110 and 111 of Law 4548/2018. This Remuneration Policy is valid for four (4) years from its approval by the Shareholders' Ordinary General Assembly. It is also noted that as of 2020 onwards the Company shall draft an Annual Remuneration Report pursuant to article 112 of Law 4548/2018, providing information for the appliance of the above Remuneration Policy during the immediately preceding fiscal year.

Executive Compensation

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

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

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

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

Executive Performance and Changes in Executive Management

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

Succession Plan

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

The Purchasing Committee (PC)

Purchasing Committee Membership

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

Purchasing Committee Duties and Responsibilities

The Purchasing Committee shall have the following functions:

- To review and approve every purchase and procurement transaction made by the Company according to the financial authority matrix;
- To review existing purchasing and procurement policies and procedures of the Company and ensure consistency in their application;
- To approve major purchasing/partnership decisions in such a way as to ensure a link with the Company's strategic partners and to encourage the creation of synergies in the purchasing decision-making process;
- To review key risks and business implications of key contracts, including framework contracts, renewals, or annual support contracts (that is, all contracts with value over €50,000 excluding VAT) to be entered into by the Company;
- To ensure optimization of capital and operational expenditure;
- To participate in the annual evaluation procedure of all suppliers, to suspend, reinstate and exclude the cooperation with suppliers for performance-related reasons when necessary;
- To serve as the first reference point to which all contract proposals are to be referred and approved, provided that the financial implication in respect thereof is more than €50,000 excluding VAT;
- To review the contract proposals referred to it in terms of the preceding point and to make recommendations in regard to the same, as well as to assign competencies according to the Financial Authority Matrix, on condition that the proposed agreements the value of which is higher than the competency that has been assigned to the Management are referred by the Purchasing Committee to the Strategy Committee and the Strategy Committee, in its turn, will finally refer to the Board of Directors, all those proposed agreements that exceed the limit of its competency;
- To ensure the suitable materialization of all expenses approved according to the following Financial Authority Matrix;

- To approve the initial formation, as well as any change in the formation of the list of the preferable suppliers.

Purchasing Committee Meetings

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

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

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

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

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

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

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

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

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

As regards the diversity of the Board of Directors on 31 December 2019, the ages of Board members range from 44 to 63. As regards their level of education, all Board members hold a combination of University degrees, post-graduate degrees, professional certifications and doctoral theses in a broad range of subjects, such as computer science, business administration, accounting, economics, etc. As regards their professional experience and culture, the Company's Board of Directors is composed of both Greek nationals and third country citizens of various nationalities who have served in various positions of responsibility at companies involved in major sectors of the market (whether in Greece or abroad), such as telecommunications, television, banking, etc., while one member has a distinguished academic and research career.

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

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

9. RELATED PARTIES

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

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

Related Party	Relation with the Group	Year ended at	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2019	5,184,814	3,452,142	797,107	1,370,073
		31.12.2018	4,086,707	3,241,196	301,868	551,124
Vodafone S.A.	Shareholder	31.12.2019	5,894,473	3,336,759	245,214	769,387
		31.12.2018	4,712,095	2,487,152	300,428	548,014
Technology and Research Foundation	Shareholder	31.12.2019	30,273	3,254	24,611	813
		31.12.2018	32,970	44,200	24,671	333
Lumiere Productions S.A.	Shareholder	31.12.2019	-	-	-	6,378
		31.12.2018	-	-	-	6,378
Lumiere Cosmos Communications	Shareholder	31.12.2019	-	-	-	-
		31.12.2018	-	-	-	10
ALPHA BANK SA	Shareholder	31.12.2019	230,363	148,939	150,392	15,985
		31.12.2018	230,191	133,212	88,217	15,155
NATIONAL BANK OF GREECE SA	Shareholder	31.12.2019	71,075	139,142	148,133	36,513
		31.12.2018	191,693	156,853	137,679	124,455
PIRAEUS BANK SA	Shareholder	31.12.2019	788,245	86	150,579	2,580
		31.12.2018	1,191,056	8,472	98,851	4,968
ATTICA BANK SA	Shareholder	31.12.2019	41,154	-	2,932	-
		31.12.2018	45,088	-	2,289	-
Telemedicine Technologies S.A.	Associate	31.12.2019	-	-	3,734	-
		31.12.2018	-	-	3,734	-
Athlonet S.A.	Associate	31.12.2019	-	-	4,239	4,239
		31.12.2018	-	-	4,497	4,497
Vodafone Ltd.	Related Party	31.12.2019	1,575,673	1,504,726	293,749	348,027
		31.12.2018	1,554,834	1,130,040	357,597	216,431
Hellas Online	Related Party	31.12.2019	-	-	11	117
		31.12.2018	-	-	11	116
Cablenet Ltd	Related Party	31.12.2019	10,403	25,543	3,180	-
		31.12.2018	6,120	55,200	1,020	-
Total		31.12.2019	**13,826,473**	**8,610,591**	**1,823,883**	**2,554,111**
Total		31.12.2018	**12,050,754**	**7,256,326**	**1,320,863**	**1,471,481**

- 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. Furthermore, starting from September 2017, revenues also include the agreement between Forthnet Media S.A. and Vodafone – Panafon S.A. and Wind Hellas Telecommunications S.A. for the wholesale distribution to the latter of Forthnet Media's Pay TV "Novasports" branded channels.
- The costs from Alpha Bank and National Bank of Greece relate to commissions for collection from customers. The revenues from Alpha Bank, National Bank of Greece, Piraeus Bank and Bank of Attika relates to provision of services (leased lines, etc) as well as to the recharge of the monitoring officer cost.

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

Related Party	**Relation with Forthnet**	**Year ended at**	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2019	1,398,066	3,404,807	797,107	1,366,335
		31.12.2018	1,355,088	3,174,406	301,868	545,263
Vodafone S.A.	Shareholder	31.12.2019	1,267,391	3,334,032	245,214	769,387
		31.12.2018	1,079,013	2,484,514	300,428	547,788
Technology and Research Foundation	Shareholder	31.12.2019	30,273	3,254	24,611	813
		31.12.2018	32,970	44,200	24,671	333
ALPHA BANK SA	Shareholder	31.12.2019	230,363	148,939	150,392	16,549
		31.12.2018	230,191	132,359	88,218	15,719
NATIONAL BANK OF GREECE SA	Shareholder	31.12.2019	69,850	90,945	146,338	36,514
		31.12.2018	191,487	102,968	137,389	124,456
PIRAEUS BANK SA	Shareholder	31.12.2019	787,649	86	150,810	2,580
		31.12.2018	1,191,554	8,472	99,554	4,968
ATTICA BANK SA	Shareholder	31.12.2019	41,154	-	2,932	-
		31.12.2018	45,088	-	2,289	-
Telemedicine Technologies S.A.	Associate	31.12.2019	-	-	3,734	-
		31.12.2018	-	-	3,734	-
Athlonet S.A.	Associate	31.12.2019	-	-	4,239	4,239
		31.12.2018	-	-	4,497	4,497
Vodafone Ltd.	Related Party	31.12.2019	1,575,673	1,504,726	293,749	348,027
		31.12.2018	1,554,834	1,130,040	357,597	216,431
Cablenet Ltd	Related Party	31.12.2019	10,403	25,543	3,180	-
		31.12.2018	6,120	55,200	1,019	2
Forth CRS S.A.	Subsidiary	31.12.2019	-	-	-	-
		31.12.2018	87,237	104,994	-	-
Forthnet Media S.A.	Subsidiary	31.12.2019	4,746,059	1,809,636	104,524,898	2,385,781
		31.12.2019 - Provision for expected credit losses	-	-	(104,524,898)	(2,385,781)
		31.12.2018	5,377,512	1,317,211	100,122,918	5,292
		31.12.2018 - Provision for expected credit losses	-	-	(100,122,918)	(5,292)
NetMed S.A.	Subsidiary	31.12.2019	157,072	-	970,943	-
		31.12.2019 - Provision for expected credit losses	-	-	(970,943)	-
		31.12.2018	85,859	-	834,673	74,715
Intervision Services BV	Subsidiary	31.12.2019	57,887	-	418,935	-
		31.12.2019 - Provision for expected credit losses	-	-	(418,935)	-
		31.12.2018	82,955	-	361,051	-
Total		31.12.2019	**10,371,840**	**10,321,969**	**1,822,308**	**2,544,443**
Total		31.12.2018	**11,319,909**	**8,554,364**	**2,516,987**	**1,534,172**

- The revenues and the receivables from Forthnet Media S.A. of the current year are mainly related to the 3 play commission re-charged to the subsidiary by the Company. The receivables from Forthnet Media also include the recharges that took place in the past for the re-sale of the Super league and UEFA football rights.
- The Company's payable towards Forthnet Media S.A. is mainly related to cash collected by its stores on behalf of Forthnet Media S.A.

As at December 31, 2018, the Company assessed the impairment indicators of its receivable from the subsidiary Forthnet Media S.A. and considered that the carrying amount is not recoverable thus proceeded with the full impairment of the receivable. The impairment indicators, included among others, the adverse current economic conditions in the Greek market as well as the uncertainty with respect to the successful outcome of the process that has been initiated for the identification of a prospective investor as highlighted in Note 8; at the same time the uncertainty about the adequacy and effectiveness of the intended management actions to cover the subsidiary's working capital cash needs and their ability to complete the subsidiary's refinancing of its contractual obligations under its loan agreements were also considered in the assessment.

As at December 31, 2019 the Company proceeded to additional impairment of € 2.02 million relating to the increase of the aforementioned receivable from Forthnet Media within 2019 taking into consideration that the impairment indicators have not changed from prior year. Also, as at December 31, 2019 the Company's receivables from its sub-subsidiares Intervision Services BV and Netmed S.A were also impaired as the Company considered that the carrying amount is not recoverable and thus proceeded with the full impairment of € 0.42 million and € 0.97 million respectively.

Salaries and fees for the members the Board of Directors and the Senior executives of the Group for the years ended 2019 and 2018 are analyzed as follows:

	The Group		The Company	
	01.01-31.12.2019	01.01 -31.12.2018	01.01-31.12.2019	01.01 -31.12.2018
Salaries and fees for executive members of the BoD	321,336	400,877	321,336	400,877
Salaries and fees for non-executive members of the BoD	246,019	290,860	246,019	290,860
Salaries and fees for senior managers	2,021,215	1,970,524	1,374,165	1,096,021
Total	**2,588,570**	**2,662,260**	**1,941,519**	**1,787,758**

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and senior executives relating to retirement insurance program amounted to € 153,212 for the Group and € 112,922 for the Company respectively (December 31, 2018: € 150,784 for the Group and € 98,742 for the Company respectively).
Also, it is noted that the caption "Salaries and fees for senior executives" also includes benefits relating to leaving indemnities which amounted to € 26,840 for the Group and the Company (December 31, 2018: 98,922 and € 61,589 for the Group and the Company respectively).
The amounts owed to the members of the BOD for the Group and the Company as of December 31, 2019 are € 77,795 (December 31, 2018: €70,448).

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

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

(a) Structure of the Company's share capital

The Company's share capital on 31.12.2019 amounts to fifty-one million seven hundred and seventy-nine thousand eight hundred and seventy euros and ten cents (€51,779,870.10) divided into one hundred and seventy-two million five hundred and ninety-nine thousand five hundred and sixty-seven (172,599,567) common registered shares with a nominal value of thirty cents (EUR 0.30) each.

The Company's shares are dematerialised, common, registered, with voting rights, freely negotiable and transferable and listed for trading on the Athens Exchange and as of 25 November 2011 in the "Under Surveillance" segment as, according to the financial statement of 31.12.2010, the loss was larger than 30% of the net worth of the Company whereas there was no provision for the completion of a share capital increase within the term for which the Company was bound.

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

Moreover, each share provides:

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

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

Furthermore, any shareholder or shareholders representing 1/20, 1/10 or 1/5 of the paid-up share capital enjoy minority rights, as stipulated by the Company's Articles of Association and the relevant legislation.

Additionally:

Following an approval resolution issued by the Board of Directors on 21 June 2016, pursuant to the relevant authorisation granted by the Ordinary General Assembly of the shareholders of the Company held on 28 June 2011, the Company issued a convertible bond loan up to the total amount of € 99,087,466.50 with a pre-emptive right for existing shareholders, in accordance with Article 3a of Codified Law 2190/1920, Law 3156/2003 and the other provisions of the applicable legislation (hereinafter referred to as the "CBL"). Through the CBL, the Company raised the sum of € 70,124,679.90 and certified its partial subscription on 11 October 2016, simultaneously issuing 233,748,933 convertible bonds, which were made available to beneficiaries. The convertible bonds issued have been listed for trading on the Stock Exchange, while as a result of the interim conversions based on the relevant announcements made by the Company, the remaining convertible bonds as at 31.12.2019 amounted to 171,246.551, of a nominal value of € 0.30 each. Their beneficiaries have the right to convert them into new shares, in accordance with the detailed provisions of the CBL Programme included in the Company's Prospectus dated 15 September 2016.

(b) Limitations on the transfer of Company shares

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

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

I. Shareholders (natural or legal persons) who on 31 December 2018 held directly or indirectly more than 5% of the total number of its shares are presented in the following table:

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

II. Shareholders (natural or legal persons) who on 31 December 2019 hold directly or indirectly more than 5% of the total number of its shares are mentioned below:

	SHARES	PERCENTAGE
WIND HELLAS TELECOMMUNICATIONS S.A.	36,332,457	21.05%
PIRAEUS BANK S.A.	26,075,808	15.11%
GO PLC	24,887,737	14.42%
MASSAR INVESTMENTS LLC	24,887,736	14.42%
NATIONAL BANK OF GREECE S.A.	20,958,236	12.14%
ALPHA BANK S.A.	14,639,289	8.48%

According to the notifications dispatched to the Company pursuant to Law 3556/2007, voting rights in the Company as at 31.12.2019 are as follows:

(a) WIND HELLAS ELECOMMUNICATIONS S.A. is indirectly controlled by Crystal Almond Holdings Limited (former Largo Limited) through Crystal Almond Intermediary Holdings Limited and Crystal Almond Sarl. It is noted that, in accordance with the notification dated 2nd July 2019 received by the Company and disclosed on 2nd July 2019 in compliance with Law 3556/2007, the percentage of voting rights directly held by WIND HELLAS TELECOMMUNICATIONS S.A. in the Company came to 21.052% on June 28th, 2019.

(b) GO p.l.c. Is indirectly controlled by the Tunisian State through Tunisia Telecom and TT ML Limited. It is noted that, in accordance with the notification dated 8th April 2019 received by the Company from the Tunisian State and disclosed on 10th April 2019, in compliance with Law 3556/2007, the percentage of voting rights directly held by GO p.l.c. in the Company came to 14.421% on 8th April 2019.

(c) MASSAR INVESTMENTS LLC is directly controlled by Mr. ABDULAZIZ AL GHURAIR. It is noted that, in accordance with the notification dated 11th April 2019 received by the Company and disclosed on 12th April 2019, in compliance with Law 3556/2007, the percentage of voting rights directly held by MASSAR INVESTMENTS LLC in the Company came to 14.421% on 8th April 2019.

(d) Piraeus Bank S.A., in accordance with the notification dated 9th April 2019 received by the Company and disclosed on 10th April 2019 in compliance with Law 3556/2007, held in the Company a percentage of voting rights which came to 15.1103% on 8th April 2019. From these voring rights: (i) twenty-six million seventy-five thousand eight hundred and eight (26,075,808), representing 15.1096% of the total voting rights of the Company are directly held by Piraeus Bank S.A., and (ii) one thousand one hundred and thirty-eight (1,138), corresponding to 0.0007%of the total voting rights of the Company, are exercised by Piraeus Bank S.A. by virtue of pledge agreements on shares issued by the Company.

(d) Shares providing special control rights

There are no Company shares providing special control rights to their holders.

(e) Limitations on voting rights

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

(f) Company shareholders' agreements

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

(g) Rules applicable to the appointment and replacement of members of the BoD and amendment of the Articles of Association

The rules set out in the Company's Articles of Association as regards the appointment and the replacement of members of the Board of Directors and amendments to the provisions of its Articles of Association do not differ from those provided for under Law 4548/2018 "Reform of the Law of Societes Anonymes", which took effect on January 1, 2019 and replaced C.L. 2190/1920.

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

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

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

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

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

In accordance with the provisions of **Article 113 (4) of Law 4548/2018**, as in force, the General Assembly can decide, with increased quorum and majority and subject to the disclosure formalities, to authorise the Board of Directors to establish a stock option plan in accordance with paragraphs mentioned above by increasing, if necessary, the share capital and by taking all relevant decisions. Such authorisation is valid for five (5) years, unless the General Assembly sets a shorter term of duration, and is independent of the powers of the Board of Directors as set out in Article 24 (par. 1). The resolution of the Board of Directors is adopted under the terms of the above paragraphs.

On 31 December 2019, no such authorisation was in force.

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

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

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

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

Iraklio, 30/04/2020

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of the Hellenic Company for Telecommunications and Telematic Applications S.A. ''Forthnet S.A.'' (the "Company"), which comprise the separate and consolidated statements of financial position as of December 31, 2019, the separate and consolidated statements of comprehensive income, the statements of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of the Hellenic Company for Telecommunications and Telematic Applications S.A. ''Forthnet S.A.'' and its subsidiaries (the "Group") as at December 31, 2019 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

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

Material uncertainty related to going concern

We draw attention to Note 8 to the separate and consolidated financial statements which indicates that, at December 31, 2019, (a) the Company and the Group had not proceeded with the payment of loan liabilities of € 78.5 million and € 255.0 million, respectively, that were due and were classified as current as of that date and the payment of interest of € 5.4 million and € 19.2 million, respectively, and, (b) the Company's and Group's current liabilities exceeded their current assets by € 98.9 million and € 381.0 million, respectively. Accordingly, the Company and the Group may not be able to meet their contractual obligations under their bond loan agreements and all their working capital requirements. In addition, as at December 31, 2019, the Company and the Group presented a negative equity of € 79.4 million and € 226.6 million, respectively. As further discussed in Note 8 (i), the Company's and Group's ability to complete the refinancing of their entire contractual obligations, including principal and interest, under their loan agreements and, (ii) the Company's and the Group's working capital sufficiency, cannot be assured, while additional uncertainties exist associated with (a) the current economic situation in Greece mainly due to the COVID-19 pandemic, (b) the successful outcome of the process that has been initiated for the identification of a prospective investor and, (c) the ultimate decisions of the General Assembly of Shareholders regarding the Company's negative equity position. Accordingly, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts, the amounts and classification of liabilities or any other adjustments that might result should the Company and the Group be unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition from contracts with customers (separate and consolidated financial statements)	
The Company and the Group recognized revenues from contracts with customers of € 150.1 million and € 259.9 million, respectively during the year ended December 31, 2019, consisting primarily of Pay-TV, broadband and fixed line services contracts. The Company and the Group use various IT Systems and internal controls processes to ensure a robust revenue recognition framework. In addition, certain assumptions and estimates are made by management in applying the requirements of IFRS 15 "Revenue from contracts with customers". Revenue recognition and especially the recognition of accrued and deferred revenue is a complex process mainly due to the complexity of the revenue contracts. Such complexity derives from the bundling of services, the tariff changes within the year, the variety of services, products and tariffs offered, and the large volume of data handled by the Company and the Group. Taking into account the degree of estimation uncertainty in the Company's and Group's management's judgments exercised in this process and further the inherent complexity of the telecommunications billing systems and processes used, we have identified the revenue recognition and especially the recognition of accrued and deferred revenue as a key audit matter. The Company's and the Group's disclosures relating to the revenue from contracts with customers and the accounting policy for revenue recognition can be found in notes 4 (t) and 10 to the separate and consolidated financial statements.	The audit procedures that we performed, among others, are as follows: We discussed with management and assessed the design of management controls over the process of revenue recognition from contracts with customers and examined the appropriateness of the accounting policy adopted in accordance with IFRS 15 "Revenue from contracts with customers" requirements. Information technology specialists were included in our team to assist us in the testing of the information technology ("IT") environment of systems supporting material revenue streams, covering the process of subscribers' activation, provision of services, rating, billing and accounting. Our procedures also covered the assessment of the controls environment and the internal controls relating to change management and restricted access over these IT systems. We obtained an understanding of the IT and manual controls surrounding material revenue streams and we tested those controls in relation to transactions recorded and transferred across systems, from their initial capturing through their recording in the general ledger. We tested internal controls set by the management regarding the calculation and recognition of accrued and deferred revenue. We performed an analysis of accrued and deferred revenue based on our industry knowledge, forming an expectation of revenue based on key performance indicators taking into consideration disconnections, installations, tariff changes and trends in deferred income days. Also, we assessed the adequacy of the related disclosures in the separate and consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Capitalization of Contract Costs (separate and consolidated financial statements)	
Capitalized contract costs at December 31, 2019, amounted to € 16.4 million for the Company and € 30.6 million for the Group. The Company and the Group capitalize the contract costs relating mainly to costs associated with activation services, one-off dealer commissions and cost of equipment provided to subscribers when they have been committed with a contract usually lasting for 24 months. Contract costs that are capitalized are amortized over the average customer life which ranges from 3 to 5 years depending on the type of the service. We have identified the capitalization of contract costs as a key audit matter due to: a) the degree of estimation uncertainty in the Company's and Group's management's judgments exercised in determining whether capitalized costs meet the recognition criteria set out in IFRS 15 "Revenue from contracts with customers", b) the complexity of the relevant calculations and estimations relating to the duration of the amortization period and the risk that capitalized costs may no longer meet the relevant recognition criteria due to disconnection/ cancellation of relevant subscribers. The Company's and the Group's disclosures relating to the amounts capitalized as contract costs, the accounting policy, the judgements, the estimates and the assumptions used during the assessment on whether contract costs have been properly capitalized and impaired can be found in notes 4 (f), 6 and 19 to the separate and consolidated financial statements.	The audit procedures that we performed, among others, are as follows: We obtained an understanding and evaluated the design of controls with respect to the process of capitalization of contract costs. We have evaluated the most significant elements of the capitalized costs by inspecting a sample of supporting evidence, understanding the nature of the capitalized costs and considering whether they meet the recognition criteria set out in IFRS 15 "Revenue from contracts with customers". We recalculated the amortization charge for the year ended December 31, 2019, by taking into consideration the current year subscribers' activations and disconnections as well as the average customer life per type of service. We compared the number of subscriber activations which is considered part of the Company's and Group's key performance indicators and any changes in the costs associated with the activation services with the amount capitalized during the year as contract costs. Also, we assessed the sufficiency of the related disclosures in the separate and consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Goodwill impairment test (consolidated financial statements)	
At December 31, 2019, the carrying value of the goodwill, in the consolidated statement of financial position amounted to € 83.1 million. Goodwill is tested at least annually for impairment. The management in the impairment test exercise, used the Group's approved business plans and estimates regarding key assumptions such as discount rate, market share during the forecasted period/year, growth rate to perpetuity and margin of earnings before interest, taxes, depreciation and amortization (EBITDA margin). Due to the degree of estimation uncertainty in the management's judgments involved in the preparation of business plans and the aforementioned key assumptions, there are inherent uncertainties in the calculations and the actual results may differ from those forecasted by management. We have identified the process of goodwill impairment test as a key audit matter due to the significance of the account and due to the fact that the process of impairment test involves significant management judgement in determining the cash generating unit ("CGU") at which the recoverable amount was determined, in the preparation of business plans and the selection of key assumptions used for the impairment calculation exercise. The Group's disclosures relevant to the accounting policy, the judgements, the estimates and the assumptions used for the goodwill impairment test are included in notes 4(a), 6 and 20 to the consolidated financial statements.	The audit procedures that we performed, among others, are as follows: We obtained management's goodwill impairment test and assessed the judgements, estimates and assumptions used in this process with respect to future (forecasted) cash flows, the discount rate used, the growth rate to perpetuity, the market share during the forecasted period/year, and the EBITDA margin. In our assessment we also took into account historical information and available industry/market data. In addition, we evaluated whether the Group's process for goodwill impairment test is in line with IFRS. We assessed the consistency between periods by comparing the methods and the assumptions used. Also, we assessed whether events of the period or changes in the environment or in the facts and circumstances have been taken into consideration in the assumptions used. Valuation specialists were included in our team to assist us in evaluating the assumptions and methodologies used by Group's management in the impairment test exercise. In addition, we have verified the mathematical accuracy of calculations of the impairment test. We obtained internal documents of the Company with respect to the current and expected situation of the Group and intended management actions. We reviewed the minutes of the meetings of the Board of Directors and compared their contents in relation to the management's assumptions on the recoverability of the goodwill. In addition, we considered the adequacy of the related disclosures in the consolidated financial statements with respect to the above matters.

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Other information

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

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

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

Responsibilities of the Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the separate and Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of Law 4548/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150-151 and 153-154 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2019.

c) Based on the knowledge and understanding concerning Hellenic Company for Telecommunications and Telematic Applications S.A. and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

In Note 8 to the separate and consolidated financial statements it is noted that at December 31, 2019, the Company's total equity was negative and, as a result, the provisions of par. 4 of article 119 of Law 4548/2018 were applicable, according to which the Board of Directors is obliged to call for a General Assembly meeting of Shareholders to decide on the appropriate measures.

2. Additional Report to the Audit Committee

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

3. Provision of Non-audit Services

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

Non-audit services provided by us to the Company and its subsidiaries during the year ended December 31, 2019, are disclosed in note 45 of the separate and consolidated financial statements.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Company by the General Assembly on June 30, 2005. Our appointment has been uninterruptedly renewed annually by virtue of decisions of the annual general meetings of the shareholders for a total period of 15 years.

Athens, April 30, 2020

The Certified Auditor Accountant

Andreas Hadjidamianou
SOEL R.N. 61391
ERNST & YOUNG (HELLAS)
Certified Auditors Accountants S.A.
8B Chimarras, Maroussi,
151 25, Greece
Company SOEL R.N. 107

ANNUAL FINANCIAL STATEMENTS

for the year ended December 31, 2019

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2019

	Notes	The Group		The Company	
		01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018 * Restated
Revenue from contracts with customers	10	259,865,345	281,594,563	150,125,037	157,004,775
Rental income		105,294	-	105,294	-
Other income		2,811,433	3,648,948	2,328,552	1,794,415
Telecommunications costs		(76,826,785)	(78,573,469)	(76,826,785)	(78,522,741)
Royalties and licenses		(65,257,835)	(69,822,058)	-	(3,060)
Cost of sales of inventory and consumables		(1,755,694)	(1,827,271)	(1,611,171)	(1,258,973)
Advertising and promotion costs		(4,391,064)	(5,112,602)	(1,310,963)	(1,050,771)
Payroll and related costs	11	(31,532,447)	(33,843,390)	(19,121,439)	(19,487,567)
Sundry expenses	12	(45,026,729)	(52,781,747)	(29,734,151)	(33,381,079)
Impairment of investments in subsidiaries	21	-	-	-	(3,822,530)
Impairment of amounts due from related parties	42	-	-	(3,411,329)	(100,117,628)
Depreciation and amortisation	13	(54,671,160)	(61,499,989)	(23,421,900)	(26,189,825)
Financial income	14	538,715	15,850	583,293	73,395
Financial expenses	14	(15,107,779)	(16,041,804)	(5,634,161)	(5,083,910)
Loss before income taxes		**(31,248,707)**	**(34,242,969)**	**(7,929,724)**	**(110,045,499)**
Income taxes	15	2,726,837	4,833,184	(675,550)	(354,995)
Loss after taxes		**(28,521,870)**	**(29,409,785)**	**(8,605,274)**	**(110,400,494)**
Loss for the year attributable to:					
Shareholders of the Parent Company		(28,518,485)	(32,294,181)	(8,605,274)	(110,400,494)
Non-controlling interests		(3,385)	2,884,396	-	-
		(28,521,870)	**(29,409,785)**	**(8,605,274)**	**(110,400,494)**
Loss per share (Basic and diluted)	16	**(0.1665)**	**(0.1971)**	**(0.0502)**	**(0.6738)**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:					
Remeasurement gains/(losses) on defined benefit plans	37	(227,109)	200,257	(208,012)	113,552
Income tax effect	15	51,069	(35,872)	58,000	(28,388)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**(176,040)**	**164,385**	**(150,012)**	**85,164**
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		**-**	**-**	**-**	**-**
Other comprehensive income/(loss) is attributable to :					
Shareholders of the Parent Company		(176,032)	163,758	(150,012)	85,164
Non-controlling interests		(8)	627	-	-
		(176,040)	**164,385**	**(150,012)**	**85,164**
Total comprehensive loss for the year		**(28,697,910)**	**(29,245,400)**	**(8,755,286)**	**(110,315,330)**
Total comprehensive loss for the year attributable to :					
Shareholders of the Parent Company		(28,694,517)	(32,130,423)	(8,755,286)	(110,315,330)
Non-controlling interests		(3,393)	2,885,023	-	-
		(28,697,910)	**(29,245,400)**	**(8,755,286)**	**(110,315,330)**

*The comparative figures of the Company have been restated in order to correct a prior year error detected in the current year. See note 7.

The accompanying notes are an integral part of the Annual Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	Notes	The Group		The Company	
		31.12.2019	31.12.2018 *	31.12.2019	31.12.2018 *,** Restated
ASSETS					
Non-current assets					
Property, plant and equipment	17	41,654,567	78,989,988	40,443,726	49,314,374
Right-of-use Assets	5	23,852,316	-	4,688,289	-
Intangible assets	18	57,827,010	70,452,275	9,004,419	9,099,688
Contracts cost	19	30,633,989	31,707,393	16,442,711	15,848,713
Goodwill	20	83,144,217	83,144,217	512,569	512,569
Other non-current assets	22	2,494,723	3,055,308	500,668	620,033
Assets from contracts with customers	27	5,498,786	5,337,186	5,498,786	5,337,186
Other financial assets	23	339,389	339,389	248,394	248,394
Deferred tax assets	15	8,036,376	9,070,347	-	149,982
Total non-current assets		**253,481,373**	**282,096,103**	**77,339,562**	**81,130,939**
Current assets					
Inventories	24	2,379,385	2,416,858	451,692	590,445
Programme and film rights	25	34,649,092	32,658,897	-	-
Trade accounts receivable	26	34,049,096	36,181,860	18,427,500	19,990,021
Assets from contracts with customers	27	17,869,314	13,139,718	17,687,245	12,799,168
Prepayments and other receivables	28	4,236,198	3,756,215	2,618,124	2,314,175
Due from related companies	42	1,823,883	1,320,863	1,822,308	2,516,987
Cash and cash equivalents	29	1,719,299	1,532,249	1,353,967	901,423
Restricted cash	29	5,200,522	5,477,465	5,080,050	5,404,813
Total current assets		**101,926,789**	**96,484,125**	**47,440,886**	**44,517,032**
TOTAL ASSETS		**355,408,162**	**378,580,227**	**124,780,448**	**125,647,971**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	30	51,779,870	49,156,253	51,779,870	49,156,253
Share premium		300,499,045	300,499,045	300,499,045	300,499,045
Other reserves	31	191,538,177	192,292,303	191,339,964	192,094,093
Accumulated deficit		(770,356,837)	(741,662,288)	(622,994,255)	(614,238,970)
Total		**(226,539,745)**	**(199,714,687)**	**(79,375,376)**	**(72,489,579)**
Non-controlling interests		(44,025)	(40,725)	-	-
Total equity		**(226,583,769)**	**(199,755,412)**	**(79,375,376)**	**(72,489,579)**
Non current liabilities					
Long-term borrowings	33	42,825,040	42,977,769	42,825,040	42,977,769
Long-term transponder leases	34	14,759,547	28,480,602	-	-
Other long-term leases	35	1,969,104	36,709	1,662,135	36,709
Other long-term liabilities	36	14,483,556	16,023,078	1,048,328	363,594
Liabilities from contracts with customers	27	6,438,207	6,832,296	6,247,531	6,641,620
Reserve for staff retirement indemnities	37	4,401,177	4,050,255	2,718,343	2,443,546
Government grants	38	2,553,268	3,465,270	2,553,268	3,465,270
Deferred tax liability	15	11,632,404	15,047,111	784,917	-
Total non-current liabilities		**99,062,303**	**116,913,090**	**57,839,562**	**55,928,508**
Current liabilities					
Trade accounts payable	39	103,534,369	92,496,899	29,264,799	29,386,824
Due to related companies	42	2,554,111	1,471,481	2,544,443	1,534,172
Short-term borrowings	33	1,112,129	1,296,200	38,400	38,400
Current portion of long-term borrowings	33	255,000,000	255,000,000	78,461,538	78,461,538
Liabilities from contracts with customers	27	20,302,621	22,268,835	12,133,820	12,317,977
Current portion of transponder leases	34, 5	13,721,055	12,611,474	-	-
Current portion of other leases	35, 5	661,211	218,063	584,417	218,063
Current portion of programmes and film rights obligations	40	36,325,689	36,901,455	2,435,192	4,115,507
Income tax payable		874,868	1,963,971	-	942,761
Accrued and other current liabilities	41	48,843,576	37,194,171	20,853,653	15,193,800
Total current liabilities		**482,929,628**	**461,422,549**	**146,316,262**	**142,209,042**
Total liabilities		**581,991,931**	**578,335,639**	**204,155,824**	**198,137,550**
TOTAL EQUITY AND LIABILITIES		**355,408,162**	**378,580,227**	**124,780,448**	**125,647,971**

* The Group has applied IFRS 16 using the cumulative catch-up effect method. Under this method the comparative information is not restated and the effect is shown directly in equity as of the transition date. See note 5

**The comparative figures of the Company have been restated in order to correct a prior year's error detected in the current year. See note 7.

The accompanying notes are an integral part of the Annual Financial Statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019

	Attributable to equity holders of the parent company						
The Group	*Share Capital*	*Share Premium*	*Other Reserves*	*Accumulated deficit*	***Total***	***Non-controlling interests***	***Total Equity***
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	-	-	-	21,262,498	**21,262,498**	2,622	**21,265,120**
Loss after taxes	-	-	-	(32,294,181)	**(32,294,181)**	2,884,396	**(29,409,785)**
Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods	-	-	-	163,758	**163,758**	627	**164,385**
Total comprehensive income	-	-	-	(32,130,423)	**(32,130,423)**	2,885,023	**(29,245,400)**
Legal reserve	-	-	13,105	(13,105)	-	-	-
Share capital increase from bonds conversion to equity	11,511	-	-	-	**11,511**	-	**11,511**
Share capital increase costs	-	-	133,785	(40)	**133,745**	7	**133,752**
Total Equity at December 31, 2018	**49,156,253**	**300,499,045**	**192,292,303**	**(741,662,288)**	**(199,714,687)**	**(40,725)**	**(199,755,412)**
Total Equity beginning at January 1, 2019	49,156,253	300,499,045	192,292,303	(741,662,288)	**(199,714,687)**	(40,725)	**(199,755,412)**
Loss after taxes	-	-	-	(28,518,485)	**(28,518,485)**	(3,385)	**(28,521,870)**
Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods	-	-	-	(176,032)	**(176,032)**	(8)	**(176,040)**
Total comprehensive income	-	-	-	(28,694,517)	**(28,694,517)**	(3,393)	**(28,697,910)**
Legal reserve	-	-	-	-	-	-	-
Share capital increase from bonds conversion to equity (Note 29, 30, 32)	2,623,617	-	(993,642)	-	**1,629,975**	-	**1,629,975**
Other movements	-	-	239,516	(32)	**239,484**	93	**239,577**
Total Equity at December 31, 2019	**51,779,870**	**300,499,045**	**191,538,178**	**(770,356,837)**	**(226,539,744)**	**(44,025)**	**(226,583,769)**

The accompanying notes are an integral part of the Annual Financial Statements.

The Company	*Share Capital*	*Share Premium*	*Other Reserves*	*Accumulated deficit*	***Total***
Total Equity beginning at January 1, 2018	49,144,742	300,499,045	191,960,308	(510,699,925)	**30,904,170**
Correction of error identified on 2019 (note 7)	-	-	-	3,370,409	**3,370,409**
Impact from adoption of IFRS 15 and IFRS 9	-	-	-	3,405,871	**3,405,871**
Total Equity beginning at January 1, 2018* (restated)	**49,144,742**	**300,499,045**	**191,960,308**	**(503,923,645)**	**37,680,450**
Loss after tax* (restated)	-	-	-	(110,400,494)	**(110,400,494)**
Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods	-	-	-	85,164	**85,164**
Total comprehensive income	-	-	-	(110,315,330)	**(110,315,330)**
Share capital increase from bonds conversion to equity	11,511	-	-	-	**11,511**
Share capital increase costs	-	-	133,785	5	**133,790**
Total Equity at December 31, 2018* (restated)	**49,156,253**	**300,499,045**	**192,094,093**	**(614,238,970)**	**(72,489,579)**
Total Equity beginning at January 1, 2019 (published)	49,156,253	300,499,045	192,094,093	(618,685,713)	**(76,936,322)**
Correction of error identified on 2019 (Note 7)	-	-	-	4,446,743	**4,446,743**
Total Equity beginning at January 1, 2019* (restated)	**49,156,253**	**300,499,045**	**192,094,093**	**(614,238,970)**	**(72,489,579)**
Loss after tax	-	-	-	(8,605,274)	**(8,605,274)**
Other comprehensive income (net of tax) that will not be reclassified to profit and loss in subsequent periods	-	-	-	(150,012)	**(150,012)**
Total comprehensive income	-	-	-	(8,755,286)	**(8,755,286)**
Share capital increase from bonds conversion to equity (Note 30,31,33)	2,623,617	-	(993,642)	-	**1,629,975**
Other movements	-	-	239,513	-	**239,513**
Total Equity at December 31, 2019	**51,779,870**	**300,499,045**	**191,339,965**	**(622,994,256)**	**(79,375,376)**

*The comparative figures of the Company have been restated in order to correct a prior year error detected in the current year. See note 7.
The accompanying notes are an integral part of the Annual Financial Statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2019

	Notes	The Group		The Company	
		01.01-31.12.2019	01.01-31.12.2018 *	01.01-31.12.2019	01.01-31.12.2018 *, ** Restated
Cash flows from Operating Activities					
Loss before income taxes		(31,248,707)	(34,242,969)	(7,929,724)	(110,045,499)
Adjustments for:					
Depreciation and amortization	13	54,671,160	61,499,989	23,421,900	26,189,825
Amortization of subsidies	38	(912,002)	(936,807)	(912,002)	(936,807)
Loss/(gain) from the sale of tangible and intangible assets		54,893	(69,510)	52,753	(202,175)
Financial (income)/expenses	14	14,569,064	16,025,954	5,050,868	5,010,515
Impairment of investments in subsidiaries	21	-	-	-	3,822,530
Impairment of amounts due from related parties	42	-	-	3,411,329	100,117,628
Gain from disposal of subsidiary	21	-	(2,073,152)	-	(550,251)
Allowance for doubtful accounts receivable	26, 28	2,983,330	3,660,549	1,575,633	4,472,076
Provision for staff retirement indemnities	11	808,303	1,271,049	522,018	777,734
Other provisions		(654,717)	(251,113)	(220,211)	(78,438)
Operating profit before working capital changes		**40,271,324**	**44,883,989**	**24,972,564**	**28,577,138**
(Increase)/Decrease in:					
Inventories		543,916	754,960	210,690	182,339
Trade accounts receivable & amounts due from related companies & assets from contracts with customers		(6,616,088)	(5,363,215)	(8,150,744)	(7,096,787)
Programme and film rights		(1,990,195)	4,951,024	-	-
Prepayments and other receivables		(271,176)	2,584,471	(82,983)	1,869,645
Decrease in other non-current assets		398,985	391,214	(42,235)	602,852
Increase/(Decrease) in:					
Trade accounts payable and amounts due from related companies		11,692,609	(11,051,972)	(643,795)	(17,971,078)
Deferred income & liabilities from contracts with customers		(1,966,214)	(2,706,598)	(184,157)	(253,831)
Accrued and other current liabilities		4,712,857	7,432,409	3,568,941	5,562,094
Income taxes paid		(93,107)	(818,403)	(53,165)	(598,303)
Payment of staff retirement indemnities		(684,490)	(1,223,854)	(455,233)	(714,715)
Decrease in other long-term liabilities		(2,712,262)	(5,623,854)	290,645	(894,427)
Net cash from Operating Activities		**43,286,159**	**34,210,171**	**19,430,527**	**9,264,927**
Cash flow from Investing activities					
Capital expenditure for property, plant and equipment and intangible assets	17, 18,19	(24,404,571)	(23,915,054)	(17,057,173)	(15,147,042)
Sale of tangible and intangible assets		-	171,166	-	-
Disposal of subsidiary	21	-	4,531,942	-	4,790,000
Interest and related income received		13,258	15,850	57,836	73,395
Restricted cash	29	276,943	1,518,752	324,763	1,588,745
Net cash used in Investing Activities		**(24,114,373)**	**(17,677,347)**	**(16,674,574)**	**(8,694,902)**
Cash flows from financing activities					
Repayment of long-term borrowings	33	-	(1,198,566)	-	-
Net change in short -term borrowings	33	-	1,296,200	-	38,400
Interest and other finance costs paid		(2,884,650)	(2,281,359)	(1,454,598)	(1,236,685)
Net change in leases	34, 35	(16,100,085)	(15,420,390)	(848,812)	(220,390)
Net cash used in financing activities		**(18,984,735)**	**(17,604,115)**	**(2,303,410)**	**(1,418,675)**
Net decrease in cash and cash equivalents		**187,050**	**(1,071,290)**	**452,544**	**(848,650)**
Cash and cash equivalents at the beginning of the year	29	1,532,249	2,603,540	901,423	1,750,073
Cash and cash equivalents at the end of the year	**29**	**1,719,299**	**1,532,250**	**1,353,967**	**901,423**

* The Group has applied IFRS 16 using the cumulative catch-up effect method. Under this method the comparative information is not restated and the effect is shown directly in equity as of the transition date. See note 5
**The comparative figures of the Company have been restated in order to correct a prior year error detected in the current year. See note 7.
The accompanying notes are an integral part of the Annual Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

1. CORPORATE INFORMATION:

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

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

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

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

Companies participating directly (by more than 5%) in the share capital of the Company at December 31, 2019 and December 31, 2018 are as follows:

	% Participation 31.12.2019	**% Participation 31.12.2018**
WIND HELLAS TELECOMMUNICATIONS AEBE	21.05%	22.17%
GO PLC	14.42%	15.19%
MASSAR INVESTMENTS LLC	14.42%	15.19%
NATIONAL BANK OF GREECE	12.14%	11.01%
PIRAEUS BANK	15.11%	13.69%
ALPHA BANK	8.48%	7.69%

The Group's number of employees at December 31, 2019, amounted to 942, while that of the Company to 601. At December 31, 2018, the respective number of employees was 972 for the Group and 600 for the Company. It is clarified that the above figures refer to Full Time Equivalent (FTEs) and not to the absolute number of staff (Head Count) as at 31.12.2019.

The consolidated financial statements for the year 2019, as well as the financial statements for the year 2018, except for Forthnet A.E., include the following subsidiaries and affiliates in which Forthnet directly or indirectly exercises control:

Entity's name	Date of incorporation	Operating activities	Country of incorporation	Participation	
				31.12.2019	31.12.2018
Forth-CRS S.A.*	18/2/2000	Electronic ticketing services	Greece	0.00%	0.00%
Forth-CRS ITALIA S.R.L.*	29/9/2015	Electronic ticketing services	Italy	0.00%	0.00%
Forthnet Media S.A.	23/4/2008	Pay TV services	Greece	99.99%	99.99%
NetMed N.V.	12/1/1996	Holding company	Netherlands	100%	100%
NetMed A.E.	12/1/1996	Customer support services	Greece	100%	100%
Intervision Services B.V.	12/1/1996	Content acquisition services	Netherlands	100%	100%
Dikomo 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 subsidiaries Forth-CRS S.A. and Forth-CRS Italia S.R.L. were sold on September 2018. However they are presented in the above table due to their impact in the Group Statement of Comprehensive income of 2018.

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

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

The Board of Directors of Forthnet approved the separate and consolidated financial statements for the year ended at December 31, 2019, on 30/04/2020.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

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

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

3.BASIS OF CONSOLIDATION

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

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

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

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

If the Group loses control over a subsidiary, it:

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

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

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

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit and loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured until it is finally settled within equity. In instances where the contingent consideration does not fall within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation of this unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(j) Financial instruments – initial recognition and subsequent measurement

(I) Financial Assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows,

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

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

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

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling,

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

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

As of December 31, 2019 the Group does not have financial assets falling into this category.

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

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

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

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

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

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

As of December 31, 2019 the Group does not have financial assets falling into this category.

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

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

Or

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

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

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:
- Note 6 (Significant accounting estimates and judgements)
- Note 26 (Trade receivables) & Note 27 (Contract balances)
- Note 42 (Related parties)

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

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

(II) Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss

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

As of December 31, 2019 the Group does not have financial assets falling into this category.

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

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

This category generally applies to interest-bearing loans and borrowings as well as trade payables. For more information, refer to Note 33 and 39.

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

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

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

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

As of December 31, 2019 the Group does not hold any derivatives.

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

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

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

(o) Leases: Lease agreements are classified under IFRS 16. At the first implementation the value of the right-of-use asset recognized in the financial position is based on the present value of the contractual lease payments. Conventional payments are fixed and for this reason the value of the leases payments is measured with relative certainty. The interest rate used is the incremental borrowing rate.The Group applies a single discount rate to each category of leases with similar characteristics (such as leases with a corresponding duration, for similar assets and to a corresponding financial environment). Finance charges are charged directly against income. Capitalised leased assets are depreciated over the estimated useful life of the asset. Group’s and Entity’s leases are analyzed in Note 5.

Amortization periods for Right-of-use assets varies in accordance with the lease terms of each lease contract, but are subject to the following maximum limits:

Right-of-use asset	The Group	The Company
Buildings	8 years	8 years
Transportation Means	4 years	4 years
Telecommunication Equipment	4 years	4 years
Furniture & Other Equipment	2.17 years	2.17 years
Transmission Equipment	3 years	3 years

(p) Optical fiber IRU / capacity IRU swaps: The Company has entered in the past into contracts with other telecommunications providers in Greece and abroad for the mutual exchange of indefeasible rights of use of fiber optic networks and contracts to the mutual exchange of capacity loops. The exchange agreements concern fiber optic networks and capacities of similar distance and equal commercial value and the price for both counterparties is usually the same. As a regular rule, contracts for the exchange of the right-of-use of fiber optic networks provide an invoicing of the total fee at inception, while the lease lasts for more than one year (usually 15 years). Capacity exchange contracts are invoiced on each year based on the contract period. As neither the IAS 17 nor the new IFRS 16 specify the accounting handling of this type of contracts, the Company and the Group continue to implement the accounting policy they have developed in the past and continue to follow after the first implementation of IFRS 16. The aforementioned policy is in line with the provisions of IFRS 15. More specifically, the Company and the Group, at contract's inception, recognize as "Assets from contracts with customers" and as "Liabilities from contracts with customers" the invoiced one-off initial fees. Then these amounts are transferred to the statement of comprehensive income and specifically to the account balance "Revenues from contracts with customers" and "Telecommunication costs" based on the contract duration. It is noted that the aforementioned accounting treatment has no effect on the net results of the year nor on EBITDA measure.
During the current fiscal year, the amounts recognized from the swap of fiber optic rights in the account balance "Revenue from contracts with customers" and "Telecommunication costs" in the statement of comprehensive income amount to € 1.6 million and € 1.6 million respectively (2018: € 1.55 million and € 1.55 million respectively).
The amounts regarding the exchange of capacity that were recognized in the account balance "Revenues from contracts with customers" and "Telecommunication costs" in the statement of comprehensive income amount to € 0.5 million and € 0.5 million respectively (2018: € 0, 6 million and € 0.6 million respectively).
Regarding the statement of financial position, the amounts related to the exchange of fiber optic network swaps amount to € 5.2 million (2018: € 5.9 million) and are included in the account balance "Assets from contracts with customers" and "Liabilities from contracts with customers". in the statement of financial position.
An amount of € 0.7 million relates to the short-term portion of the above network swaps and is recorded in the respective account balances in the statement of financial position. (2018: € 0.7 million) (Note 27).

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

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

(r) Provisions and Contingencies: Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. Provision and contingencies are depicted in notes 43 and 46.

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

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

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

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

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

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

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

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

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

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

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

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

(t) Revenue Recognition:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(aa) Reclassification of accounts in Statement of Cash flows of the Entity related to prior year: in current period a reclassification in statement of cash flow accounts took place related to prior year balances. Specifically, the effect of account "Current portion of programmes and film rights obligations" amounted to € 8.9 million was reclassified from "Programme and film rights" to "Trade accounts payable and amounts due from related companies". The effect provided by the reclassification is presented in the below table:

	The Company		
	Published	Reclassification	Restated
	01.01-31.12.2018		01.01-31.12.2018
Programme and film rights	(8,902,414)	8,902,414	-
Trade accounts payable and amounts due from related companies	(9,068,664)	(8,902,414)	(17,971,078)
Net cash from Operating Activities	**9,264,927**	**-**	**9,264,927**

(ab) Reclassification in the Statement of Financial Position of the Group and the Entity relating to the comparative figures: in the current year a reclassification was performed in the statement of financial position relating to prior year balances.

- Amount of € 0.67 million was reclassified from “Prepayments and other receivables” to “Assets from contracts with customers”.
- Amount of € 0.13 million referring to creditors debit balances grouped in “Trade accounts receivable” in 2018, was reclassified to “Prepayments and other receivables” in the comparative figures.
- Amount of € 0.13 million referring to sports and films rights accrued expenses initially classified in “Trade accounts payable” in 2018, was reclassified to “Current portion of programmes and film rights obligations” in the comparative figures.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group/Company as of 1 January 2019:

IFRS 16: Leases
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 have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The effect by the new IFRS 16 implementation is presented in Note 5.

IFRS 9: Prepayment features with negative compensation (Amendment)
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. Management has assessed that the amendments have no material impact on the financial position and / or the financial performance of the Group and the Company.

IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)
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. Management has assessed that the amendments have no material impact on the financial position and / or the financial performance of the Group and the Company.

IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. 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. Management has assessed that the amendments have no material impact on the financial position and / or the financial performance of the Group and the Company.

IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)
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. Management has assessed that the amendments have no impact on the financial position and / or the financial performance of the Group and the Company.

The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle, which is a collection of amendments to IFRSs. Management has assessed that the amendments have no material impact on the financial position and / or the financial performance of the Group and the Company.

- ***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.

B) Standards issued but not yet effective and not early adopted [REMEMBER EACH COMPANY/GROUP MUST ADD ITS ESTIMATE OF EXPECTED EFFECT ON FS FROM ADOPTION OF THE STANDARD]

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. Management has assessed that the amendments have no impact on the financial position and / or the financial performance of the Group and the Company.

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. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

IFRS 3: Business Combinations (Amendments)

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU. Management has assessed that the amendments have no impact on the financial position and / or the financial performance of the Group and the Company.

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)

The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. Management has assessed that the amendments have no impact on the financial position and / or the financial performance of the Group and the Company.

Interest Rate Benchmark Reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. Earlier application is permitted. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. Phase two will focus on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provided temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. Management has assessed that the amendments have no impact on the financial position and / or the financial performance of the Group and the Company.

IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)
The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU. Management has assessed that the amendments have no material impact on the financial position and / or the financial performance of the Group and the Company.

5.CHANGES IN ACCOUNTING POLICIES

The Group applied IFRS 16 “Leases” at the required date (1 January 2019) using the cumulative catch-up method by recognizing a right of use asset equal to the lease liability at the required date. Under this method the comparative figures are not restated. The effect is recognized in the above mentioned account balances with no effect in equity at the first implementation date. The Group used the relative Incremental Borrowing Rate of each lease category to discount the remaining leases liability.

IFRS 16 “Leases”
In the case the Group operates as a provider of services, there is no material change to the timing and method of recognition as well as to the presentation / classification of services provided in the financial statements. This is because, due to the nature of the contracts and services offered, (a) the equipment provided remains in the exclusive possession of the Group without substantially transferring to the customer all the economic benefits of its use and (b) the telecommunication line provided constitutes part of a larger, inseparable telecommunications network that cannot be separated distinctly into smaller functional autonomous parts.

In cases where the Group acts as a service receiver there is no material difference in the timing and method of recognition well as to the presentation / classification of the services received in the financial statements as the providers retain the economic benefits of the equipment provided, therefore there no lease.

It is noted that in the case of car and real estate leasing with duration greater than one year, the impact on the Group from the application of the new standard is shown below.

In addition, the Group uses the standard’s exemptions for short term leases of less than 12 months and low value leases. Finally, the Group applies a single discount rate for each category of lease with similar characteristics (such as leases of similar duration, for similar fixed assets and in a similar financial environment).

Leases previously classified as finance leases under IAS 17

The Group did not change the net book values of assets and liabilities at the date of first implementation of the standard for leases that were classified as finance (the rights to use fixed assets and the lease liabilities are equal to the leased assets and liabilities under IAS 17 in tangible assets). The requirements of IFRS 16 have been applied to these leases as of 1 January 2019.

Leases previously classified as operating under IAS 17

The Group recognized the “Right of use assets” and Lease liabilities for these leases that were previously classified as operating, other than low value leases. The right of use assets is recognized as a lease liability, adjusted by the amount of any prepaid lease related to the lease recognized in the statement of financial position immediately before the effective date. The lease liability was recognized as the present value of the remaining payments, discounted at the cost of additional borrowing at the date of the first implementation.

The Group has implemented the practical expedients as follows:
• Used a single discount rate for lease categories with similar characteristics.
• Evaluated the existence of onerous contracts immediately before the date of first implementation.
• Excluded initial direct costs from the measurement of the right of use assets at the date of first implementation
• Evaluated, based on past experience, the duration of leases whose contract includes a term of extension or termination

Presentation

The Group, as a lessee of real estate and cars, recognizes in the statement of financial position "Right-of-use assets". Those rights are measured at cost less accumulated depreciation and/or impairment and are adjusted when the corresponding lease liabilities are remeasured. The cost of the right of use assets includes the amount of lease liabilities recognized, initial directly related expenses and lease payments made on or before the inception date, reduced by the amount of discounts or other incentives offered. Except where the Group is relatively certain that the leased asset will expire at the end of the lease, the recognized rights of use assets are amortized on a straight-line basis over the shorter of the useful life of the underlying asset and the terms of the contract. The rights of use assets are subject to impairment testing.

In applying the standard, as a lessee of real estate and cars, the Group recognizes in the statement of financial position the "Lease liability" divided into short and long term depending on the time of repayment derecognizing at the same time the "short-term commitment to suppliers". At the inception date, the Group recognizes lease liabilities equal to the present value of the leases over the entire term of the lease. Payments include contractual fixed rents, reduced by the amount of subsidies offered, variable rents depending on an index, and amounts for residual value payments expected to be paid. Leases also include the exercise price of a purchase option that is relatively certain to be exercised by the Group and payments of termination penalties if the terms of the contract indicate with relative certainty that the Group will exercise the right to terminate. Non fixed rents that are not dependent on an index are recognized as an expense in the period in which the event or condition occurs and the payment is made. To calculate the present value of the payments, the Group uses the cost of additional borrowing at the lease date, unless the effective interest rate is directly determined by the lease.

Following the commencement of the lease, the amount of lease liabilities is increased by interest expense and is reduced by the lease payments made. In addition, the carrying amount of the lease liability is restated if there is a change in the contract, or any change in the term of the contract, in the fixed lease fee or in the market valuation of the asset. These remeasurements are recorded in the FS line of the Right-of-use asset, as conversions.

At the level of the statement of comprehensive income, the “amortization” as well as the “finance cost” are recognized, whilst derecognizing the operating cost of the leases, as was previously recognized by the previous accounting standard before the application of IFRS 16.

On 2019, the IFRS Interpretations Committee (the “Committee”) issued a summary of decisions reached in its public meetings to clarify interpretations in respect to IFRS 16 on the following topics:

- Subsurface rights:
The Committee concluded that the arrangement, presented in its decision, where a pipeline operator obtains the right to place a pipeline in an underground space constitutes a lease and therefore this arrangement as presented in this decision is in scope of IFRS 16.

- Lessee’s Incremental Borrowing Rate:
The Committee concluded that the lessee’s incremental borrowing rate should be established as a lease-specific rate that takes into account the underlying asset and the terms and conditions of the lease.

- Lease Term and Useful Life of Leasehold Improvements:
The Committee concluded that in assessing the notion of no more than an insignificant penalty, when establishing the lease term, the analysis should not only capture the termination penalty payment specified in the contract, but use a broader

economic consideration of penalty and thus include all kinds of possible economic outflows related to termination of the contract.

As at December 31, 2019 the Group and the Entity have taken into consideration the above interpretations effects in the account balances of the annual financial statements. In relation to lease term the entity considers the possibility of extending the lease term beyond the non-cancelable period, if there is a relevant reference in the contract, where there is a reasonable certainty that the contract terms will be extended.

Short-term leases and leases of fixed assets

The Group applies the exception for short-term leases (ie leases of less than or equal to 12 months from the inception date where there is no right to purchase the asset). It also applies the exemption for low value assets (ie less than € 5,000). Lease payments for short-term and low-value leases are recognized as an expense on a straight-line basis over the term of the lease. The effect of the above mentioned lease exceptions in the statement of comprehensive income is presented in the below table:

Short term leases/ expiring leases (practical expedient) and low value (disclose only the fact)	The Group 1.1 -31.12.2019	The Company 1.1 -31.12.2019
Kantza premises (short term)	1,357,577	-
Other buildings expiring 2019	178,633	178,633
Total	**1,536,210**	**178,633**

Significant considerations in determining the duration of leases with the right to renew

The Group determines the lease term as the contractual term of the lease, including the period covered by (a) the right to extend the lease, if it is relatively certain that the right will be exercised, or (b) the right to terminate the contract, if it is relatively certain that the right will not be exercised. The Group has the right, for certain leases, to extend the term of the lease. The Group assesses whether there is relative certainty that the right to renew will be exercised, taking into account all relevant factors that create a financial incentive to exercise the right to renew. Subsequent to the inception date, the Group reviews the term of the lease if there is a significant event or change in the circumstances that are within its control and affect the choice (or not) of exercising the renewal right (such as a change in business strategy) of the Group.

The following tables summarize the effect of the adoption of IFRS 16 on the financial statements of the Group and the Company as at 1 January 2019 and 31 December 2019 and the Profit/(loss) of the Group and Company for the period ended 31 December 2019, for each of the affected accounted balances.

It is noted that in the current period the “Right-of-use assets” that were included as at December 31, 2019 in the "Property, plant & equipment" and which amounted for the Group to € 31,030,454 and for the Company to € 2,842,322, were reclassified as part of the transition to IFRS 16 in the in the statement of financial position’s line "Right-of-use assets". As of December 31, 2019 the amounts for the Group and the Company amount to € 21,307,131 and 2,515,043 respectively (note 5).

Effect on the Statement of Financial Position of the Group and the Company as at 1/1/2019

	The Group			
	Balance IAS 17	IFRS 16 Adjustments	IFRS 16 Reclasses	Balance IFRS 16
	31.12.2018			1.1.2019
Right-of-use Assets	-	978,549	31,030,454	32,009,004
Property, plant and equipment	78,989,988	-	(31,030,454)	47,959,534
Other long-term leases	36,709	525,561	-	562,270
Current portion of other leases	218,063	452,988	-	671,051

	The Company

	Balance IAS 17 31.12.2018	IFRS 16 Adjustments	IFRS 16 Reclasses	Balance IFRS 16 1.1.2019
Right-of-use Assets	-	978,549	2,842,322	3,820,872
Property, plant and equipment	49,314,374	-	(2,842,322)	46,472,052
Other long-term leases	36,709	525,561	-	562,270
Current portion of other leases	218,063	452,988	-	671,051

Effect on the Statement of Financial Position of the Group and the Company as at 31/12/2019

	The Group			
	Balance IAS 17 31.12.2019	IFRS 16 Adjustments	IFRS 16 Reclasses	Balance IFRS 16 31.12.2019
ASSETS				
Right-of-use Assets	-	2,545,185	21,307,131	23,852,316
Property, plant and equipment	62,961,698	-	(21,307,131)	41,654,567
EQUITY AND LIABILITIES				
Deferred tax liability	11,641,269	(8,865)	-	11,632,404
Other long-term leases	-	1,969,104	-	1,969,104
Current portion of other leases	36,371	624,840	-	661,211
EQUITY				
Accumulated deficit	(770,316,943)	(39,894)	-	(770,356,837)

	The Company			
	Balance IAS 17 31.12.2019	IFRS 16 Adjustments	IFRS 16 Reclasses	Balance IFRS 16 31.12.2019
ASSETS				
Right-of-use Assets	-	2,173,246	2,515,043	4,688,289
Property, plant and equipment	42,958,769	-	(2,515,043)	40,443,726
EQUITY AND LIABILITIES				
Deferred tax liability	793,782	(8,865)	-	784,917
Other long-term leases	-	1,662,135	-	1,662,135
Current portion of other leases	36,371	548,047	-	584,418
EQUITY				
Accumulated deficit	(622,966,183)	(28,071)	-	(622,994,255)

Effect on the Statement of Comprehensive Income of the Group and the Company for the period 1/1/2019 to 31/12/2019

	The Group		
	Balance IAS 17 01.01-31.12.2019	IFRS 16 Adjustments	Balance IFRS 16 01.01-31.12.2019
Sundry expenses	(45,706,088)	679,359	(45,026,729)
Depreciation and amortisation	(54,076,639)	(594,521)	(54,671,160)
Financial expenses	(14,974,183)	(133,596)	(15,107,779)
Income taxes	2,717,972	8,865	2,726,837

	The Company		
	Balance IAS 17 01.01-31.12.2019	IFRS 16 Adjustments	Balance IFRS 16 01.01-31.12.2019
Sundry expenses	(30,362,236)	628,084	(29,734,151)
Depreciation and amortisation	(22,861,296)	(560,604)	(23,421,900)
Financial expenses	(5,529,744)	(104,417)	(5,634,161)
Income taxes	(684,415)	8,865	(675,550)

IFRS 16 effect presentation on Rental commitments 1/1/2019

	The Group	The Company
Rental Commitments 31/12/2018	3,367,502	1,945,742
Leases with duration below one year or including assets with value below $ 5.000	2,201,246	779,486
Rental Commitments 1/1/2019, not discounted	1,166,256	1,166,256
Incremental borrowing rate (average)	9.16%	9.16%
Discounting effect	187,706	187,706
Lease liability 1/1/2019	**978,549**	**978,549**

Right-of-use assets of the Group are analysed as follows:

The Group	Land	Buildings	Transportation Means	Telecommu-nication Equipment	Furniture & Other Equipment	Transmission Equipment	Total ROU
COST							
At January 1, 2019	-	-	-	-	-	-	-
Transfers/reclassifications	535,200	3,055,251	161,331	4,109,000	24,964	123,739,890	**131,625,636**
Additions	-	1,202,738	829,276	-	-	-	**2,032,014**
At December 31, 2019	**535,200**	**4,257,989**	**990,607**	**4,109,000**	**24,964**	**123,739,890**	**133,657,650**
DEPRECIATION							
At January 1, 2019	-	-	-	-	-	-	-
Transfers/reclassifications	-	(653,493)	-	(3,282,239)	-	(95,551,758)	**(99,487,490)**
Additions	-	(474,379)	(161,802)	(273,933)	(11,687)	(9,396,044)	**(10,317,845)**
At December 31, 2019	-	**(1,127,872)**	**(161,802)**	**(3,556,172)**	**(11,687)**	**(104,947,802)**	**(109,805,334)**
NET BOOK VALUE							
At January 1, 2019	-	-	-	-	-	-	-
At December 31, 2019	**535,200**	**3,130,117**	**828,806**	**552,828**	**13,277**	**18,792,088**	**23,852,316**

Right-of-use assets of the Entity are analysed as follows:

The Entity	Land	Buildings	Transportation Means	Telecommu-nication Equipment	Furniture & Other Equipment	Total ROU
At January 1, 2019	-	-	-	-	-	-
Transfers/reclassifications	535,200	3,055,251	161,331	4,109,000	24,964	**7,885,746**
Additions	-	1,202,738	423,420	-	-	**1,626,158**
At December 31, 2019	**535,200**	**4,257,989**	**584,751**	**4,109,000**	**24,964**	**9,511,904**
DEPRECIATION						
At January 1, 2019	-	-	-	-	-	-
Transfers/reclassifications	-	(653,493)	-	(3,282,239)	-	**(3,935,732)**

Additions	-	(474,379)	(127,884)	(273,933)	(11,687)	**(887,883)**
At December 31, 2019	**-**	**(1,127,872)**	**(127,884)**	**(3,556,172)**	**(11,687)**	**(4,823,615)**
NET BOOK VALUE						
At January 1, 2019	-	-	-	-	-	-
At December 31, 2019	**535,200**	**3,130,117**	**456,867**	**552,828**	**13,277**	**4,688,289**

Rental Income analysis – Operating leases
The following table summarises the futute rental income of the Group and the Entity as at 31/12/2019:

Future receipts ageing as at 31/12/2019	**The Group**	**The Company**
Within one year	112,947	112,947
After one year but no more than five years	451,787	451,787
Over five years	588,094	588,094
Σύνολο	**1,152,827**	**1,152,827**

6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

(a) Allowance for expected credit losses from accounts receivables and assets from contracts with customers assets: The Group and the Company apply the simplified approach of IFRS 9 for the calculation of expected credit losses according to which the provision for impairment is always measured at the amount of the expected lifetime loss for the receivables from customers and assets from contracts with customers. Group Management periodically reassesses the adequacy of the provision for bad debts from retail customers, taking into account current credit policy, historical statistics as well as prospects for customer collections. For corporate clients such as advertisers, telecommunications providers, etc., the provision for expected credit losses is evaluated for each separately taking into account historical trends as well as data from the Legal Service of the Group resulting from the processing of historical data and recent developments in the affairs it manages (Notes 26 and 27).

(b) Provision for income taxes: According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits (Note 15). There are many transactions and calculations for which the final tax determination is uncertain. In case tax issues have not been settled with the local authorities, the Management takes into account the experience of the past and the advice of tax and legal experts in order to analyze the specific facts and conditions, to interpret the relevant tax legislation, to assess the position of the tax authorities in similar cases and to decide whether the tax treatment will be accepted by the tax authorities or if it needs to recognize relevant provisions. When the Group has to pay fees in order to appeal against the tax authorities and considers that it is more likely to win in this appeal than the possibility of losing, the relevant payments are recorded as receivables, as these advances will be used to repay it in case of a negative outcome or the amount will be returned to the Group in case of a positive outcome. In the event that the Group considers that a provision on the outcome of an uncertain tax case is required, the amounts already paid shall be deducted from that provision. If the final outcome of the audit is different from the initially assessment, the difference will affect the income tax and the deferred tax asset / liability during the period of finalization of the outcome.

(c) Depreciation: The Group's assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programs (Note 17 and 18).

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

(e) Impairment of goodwill and intangible assets: The Group tests annually (or more frequently if there are indications of impairment) whether goodwill has been impaired and reviews the events or the circumstances that make probable the existence of impairment, as for example a significant unfavourable change in the corporate atmosphere or a decision for sale or disposal of a unit or an operating segment (Note 20). In case of existence of such impairment indicators, the recoverable amount (which the higher of Fair Value and Value in Use) of the respective cash generating unit to which goodwill has been allocated, needs to be estimated. The Value in Use is assessed by using the discounted projected cash flows. The application of this methodology is based on the actual operating results, future business plans, financial budgets as well as market data (statistic and non) which are estimated by the Group's management. If the recoverable amount is lower than the carrying amount, then the carrying amount needs to be reduced to the recoverable amount and such difference is charged to the statement of comprehensive income.

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

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

(g) Capitalization of subscriber acquisition costs**:** The Group capitalizes the cost of acquiring subscribers who are bound by a contract (usually lasting for 24 months). The management's judgment is required to conclude that the costs meet the criteria of IFRS 15 (the incremental costs of acquiring a contract relate to those costs which would not have been borne by the Group if it had not acquired the contract). Additionally, due to the application of IFRS 15 and the consequent change in the amortization of such costs from the period of the contractual commitment to the average estimated subscription period of the subscribers, the management's judgment is also required with regard to the subscriber's useful life. It is noted that from year 2018 onwards the average estimated subscription period of the 3play subscribers has been reassessed and harmonized with the other categories of subscriber acquisition costs.

(h) Leases: Lease agreements are classified under IFRS 16. At the first implementation the entity follows the methodology of the 'substance of the transaction'. The value of the right-of-use asset recognized in the financial position is based on the present value of the contractual lease payments. Conventional payments are fixed and for this reason the value of the leases payments is measured with relative certainty. The interest rate used is the incremental borrowing rate, a rate that takes into account the underlying asset and the terms and conditions of each lease category. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Group applies a single discount rate to each category of leases with similar characteristics (such as leases with a corresponding duration, for similar assets and to a corresponding financial environment).
As part of its assessment of the lease term and the length of the non-cancellable period of a lease, the Group considers the definition of a contract as an agreement between two or more parties that creates enforceable rights and obligations and determines the period for which the contract is enforceable. In making these assessments, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise, the possible option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Furthermore the Group takes into consideration an extension option that it is considered to be reasonable certain to be exercised or a termination option that it is considered to be reasonably certain not to be exercised.

(i) Going Concern**:** The Group's management performs its going concern assessment based on the Group's approved business plans covering a five year period (Note 8). The estimates and associated assumptions used for the preparation of such business plans are based on historical experience and various other factors that are believed to be reasonable under the circumstances; and are reviewed on an ongoing basis considering the current and expected future market conditions. The preparation of the business plans also involves long-term assumptions for major economic factors and there is a high degree of reasoned judgment involved in establishing these assumptions. Should these judgements be proven through the passage of time to be incorrect management's assessment of going concern may be affected.

7. PRIOR YEAR ERROR CORRECTION

The Company's comparative figures as of December 31, 2018 have been restated to correct a prior year error that was identified in the current period. More specifically, in the context of the transition to the new IFRS 15 "Revenue from contracts with customers", the Company and the Group recalculated the accumulated amortization of the subscribers' acquisition cost (SAC) under the new accounting policy. However, due to an arithmetical error in the calculation, the recalculated amortization was incorrectly allocated between the Company and its subsidiary Forthnet Media.
It is noted that the error did not affect the financial statements at Group level. Therefore, the effect on the Group's earnings per share (basic and diluted) for the period 1/1/2018 to 31/12/2018 is also zero.

The effect of the prior year error correction in the financial statements is presented below:

Effect on the Statement of Financial Position of the Company as at 1/1/2018

	The Company		
	1/1/2018 (Published)	Error Correction	1/1/2018 (restated)
Assets			
Contracts Cost	12,034,333	4,747,055	16,781,388
Deferred tax assets	743,516	-743,516	-
Total Assets	**242,952,710**	**4,003,539**	**246,956,249**
Total Equity and Liabilities			
Total Equity (after the effect of IFRS 15 first implementation on 1/1/2018)	**34,310,041**	**3,370,409**	**37,680,450**
Deferred tax liabilities	0	633,130	633,130
Total Liabilities	**208,642,669**	**633,130**	**209,275,799**

Effect on the Statement of Comprehensive Income of the Company for the period 1/1/2018 to 31/12/2018

	Published	Error Correction	Restated
	01.01-31.12.2018		01.01-31.12.2018
Amortization	(27,533,912)	1,344,087	(26,189,825)
Loss before income taxes	**(111,389,586)**	**1,344,087**	**(110,045,499)**
Income taxes	(87,242)	(267,753)	(354,995)
Loss after taxes	**(111,476,828)**	**1,076,334**	**(110,400,494)**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	85,164	-	85,164
Total comprehensive loss for the year	**(111,391,664)**	**1,076,334**	**(110,315,330)**

Effect on the Statement of Financial Position of the Company as at 31/12/2018

	The Company		
	31/12/2018 (Published)	Error Correction	31/12/2018 (restated)
Assets			
Contracts Cost (IFRS 15)	9,757,571	6,091,142	15,848,713
Deferred tax assets	1,794,381	(1,644,399)	149,982
Total Assets	**121,201,228**	**4,446,743**	**125,647,971**
Total Equity and Liabilities			
Total Equity (after the effect of IFRS 15 first implementation on 1/1/2018)	**(76,936,322)**	**4,446,743**	**(72,489,579)**

8. GOING CONCERN

As of December 31, 2019 and till the date of approval of the annual financial statements, the Company and the Group have not repaid the total of the matured loan instalments of € 78.5 million and € 255 million respectively from the existing ordinary bond loans issued by the Company and Forthnet Media S.A. (hereinafter the "Existing OBL"). In relation to the aforementioned bond loans, there are accrued and unpaid interest amounting to €5.4 million and €19.2 million respectively.
As of December 31, 2019, due to 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 Company and the Group exceed the total current assets by approximately €98.9 million and €381 million respectively. Additionally the Company's net assets have become negative by € 79.4 million.
It is noted that in regard to the Existing OBLs and the related liabilities arising thereon, and, by making a historical review of the events, the following actions have been taken:

1. After negotiating with the lending banks during the year 2016, the Group reached agreement on the key refinancing terms for the Existing OBLs. More specifically, on 15.6.2016 the lending banks sent to the Company the detailed key refinancing terms (hereinafter the "Refinancing") which the Company's Board of Directors approved on 21.6.2016. Under the agreement on key terms which was reached, there will be refinancing of:

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

(ii) FM's existing loan obligations by issuing a new ordinary bond loan for € 176,538,462 with collateral in rams, arranged by National Bank of Greece, Piraeus Bank and Alpha Bank, following a binding proposal they made on 15.6.2016. That bond loan will be for 8 years, with a floating interest rate and will be issued with a guarantee from the Company.
Those ordinary bond loans are to be issued and subscribed by the arranging banks under normal terms and conditions, plus Forthnet's obligation to repay € 21,538,462 and FM's obligation to repay € 48,461,538, or € 70 million in total, to pay off part of the existing loan obligations which amounts to € 325 million.

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

3. Having fulfilled the key obligation to pay € 70 million, since July 2017, the Group and the lending banks have exchanged drafts of the refinancing agreement which are under further processing so as to be finalized and this way complete the refinancing of the Existing OBLs. There has been no progress on this issue since that date.

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. (note 47)

6. During the 9th conversion period which ended on 30.01.2019, conversion rights were exercised by the lending banks for 8,723,237 convertible bonds of the Company into shares. Said conversion rights were exercised separately from each of the following bondholders. Following the exercise of those conversion rights the lending banks have the following

shareholdings in the Company's ordinary share capital: Alpha Bank (8.48%), National Bank of Greece (12.14%), Piraeus Bank (15.11%), Attika Bank (0.46%).

Group Management estimates that based on current circumstances and provided that the Refinancing of the existing OBLs is successfully completed, the working capital cash needs is for the next 12 months from the signing of these annual financial statements will amount to approximately € 31.8 million for working capital needs and €25.5 million for repayment of financing. Management will pursue to cover above cash needs through further Group's cost reduction, extension of suppliers credit terms, new sort term loans, capital increase and/or any interested third party investors.

If the above intended Management actions are not implemented or proved to be insufficient due to the instability and uncertainty which prevail in Greece and internationally as well as the implementation uncertainty of the above actions (especially those which don't exclusively depend on the management of the Group) with the result that the working capital cash needs of the Group are not covered, then the Group results, operations and prospects could be negatively affected.
Moreover, due to the current adverse and fluid economic situation in Greece mainly due to the COVID-19 pandemic, 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:

• Due do the COVID-19 pandemic' s impact on the Greek economy, the initially expected gradual growth which has been noted during the last year seems to be turning into a recession and this 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 arising from the financial situation caused by COVID-19 pandemic, may have a negative impact on the Company and Group's business activity, operating results and financial situation. This impact is discussed in the Board of Directors report of the year 2019.

• Changes in consumer behaviour due to the decrease in the disposal income caused by the COVID-19 crisis, the implementation of austerity policies by the Greek government in the previous years, the imposition of subscriber television levies and fixed telephony and internet levies, as well as the rising unemployment rate, could affect demand for the Company and Group's services, negatively impacting on their activities, financial situation, results and prospects.

Additional information on the impact of the COVID-19 pandemic on the financial position of the Group and the Company as well as the actions taken by management are presented in note 47 of the financial statements as well as in the BoD report that accompanies these annual financial statements of 31 December 2019.

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

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

9. 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 10 discloses the Company's and the Group's revenue from contracts with customers by category / type of service provided as well as revenue from contract with customers per customer category (retail / business). It is noted that due to IFRS 16 first implementation, the optic fiber cables leasing is classified as operating and the revenue provided is recorded in the account balance "Rental Income" in the statement of comprehensive income.

10. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contract with customers are analysed as follows:

	The Group		The Company	
	01.01-31.12.2019	**01.01-31.12.2018**	**01.01-31.12.2019**	**01.01-31.12.2018**
Revenue from contracts with customers				
Direct Retail Services	**207,283,747**	**224,242,262**	**102,753,685**	**107,923,870**
Bundled services (2play)	47,731,552	43,688,120	47,731,552	43,688,120
Bundled services (3play)	42,323,018	50,366,815	41,706,330	49,793,035
Telephony	2,488,638	3,266,883	2,509,039	3,275,745
ADSL	7,697,229	8,020,063	7,991,958	8,326,919
Pay-TV Revenues	104,228,504	116,060,215	-	(114)
Other	2,814,806	2,840,166	2,814,806	2,840,166
Indirect Retail Services	**875,243**	**1,015,884**	**875,243**	**1,015,884**
Telephony	70,183	104,755	70,183	104,755
ADSL	554,859	751,261	554,859	751,261
Other	250,201	159,868	250,201	159,868
Direct Business Services	**32,683,660**	**33,515,202**	**32,683,660**	**33,515,202**
E-business	**883,161**	**1,033,065**	**883,161**	**1,033,065**
Pay-TV Advertising Revenue	**9,855,862**	**9,317,002**	-	-
Forth CRS services	-	**4,272,480**	-	-
Equipment sales	**1,538,786**	**1,419,633**	**1,538,786**	**1,420,152**
Other services	**6,744,886**	**6,779,035**	**11,390,502**	**12,096,602**
Total	**259,865,345**	**281,594,563**	**150,125,037**	**157,004,775**
Analysis of deferred revenues:				
Revenue recognised over time	258,326,559	280,174,930	148,586,251	155,584,623
Revenue recongised at a point in time	1,538,786	1,419,633	1,538,786	1,420,152
	259,865,345	**281,594,563**	**150,125,037**	**157,004,775**

11. PAYROLL AND RELATED COSTS

Payroll and related costs are analysed as follows:

	The Group		The Company	
	01.01-31.12.2019	**01.01-31.12.2018**	**01.01-31.12.2019**	**01.01-31.12.2018**
Wages & Salaries	25,561,416	27,319,629	15,850,896	15,865,363
Social Security & Provident Fund (Note 37)	6,128,770	6,519,892	3,816,630	3,869,203
Staff retirement indemnities (Note 37)	808,303	1,271,049	522,018	777,734
Other staff costs	587,683	609,562	401,365	390,191
Total	**33,086,172**	**35,720,132**	**20,590,909**	**20,902,491**
Less: Amounts capitalised for internally generated assets	(1,553,725)	(1,876,742)	(1,469,470)	(1,414,924)
Total	**31,532,447**	**33,843,390**	**19,121,439**	**19,487,567**

12. SUNDRY EXPENSES

Sundry expenses are analysed as follows:

	The Group		The Company	
	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
Third party fees and services	16,809,150	17,234,415	12,444,367	10,653,215
Taxes and duties	977,881	946,870	864,339	838,110
Other sundry expenses	8,138,008	9,962,677	3,483,769	4,807,375
Allowance for doubtful accounts receivable (Note 26, 28)	3,394,220	6,869,028	1,845,331	4,566,498
Repairs and maintenance	4,775,840	4,937,609	2,991,880	3,014,796
Rentals	1,707,484	2,295,429	297,842	848,551
Commissions	6,777,016	8,026,369	5,903,673	6,846,821
Office functional costs	2,447,130	2,509,350	1,902,950	1,805,713
Total	**45,026,729**	**52,781,747**	**29,734,151**	**33,381,079**

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

13. DEPRECIATION AND AMORTISATION

Depreciation and amortisation are analysed as follows:

	The Group		The Company	
	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018* Restated
Buildings	913,594	937,256	897,552	917,694
Network & transmission Equipment	19,684,496	21,357,125	10,312,042	11,412,552
Motor vehicles	3,303	1,997	1,716	1,710
Furniture & other equipment	582,140	877,761	218,400	328,917
Amortization ROU IFRS 16	594,521	-	560,604	-
Depreciation on property, plant & equipment (Note 16)	**21,778,054**	**23,174,139**	**11,990,314**	**12,660,873**
Software, contracts cost, and other intangibles	20,626,439	26,059,183	11,431,586	13,528,952
Amortisation of intangibles from PPA exercise	12,266,667	12,266,667	-	-
Amortisation on intangible assets (Note 17)	**32,893,106**	**38,325,850**	**11,431,586**	**13,528,952**
Total	**54,671,160**	**61,499,989**	**23,421,900**	**26,189,825**

14. FINANCIAL INCOME / (EXPENSES)

Financial income/ (expenses) are analysed as follows:

	The Group		The Company	
	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
Long-term borrowings (Note 33)	(8,650,349)	(8,548,576)	(3,000,790)	(2,984,580)
Short-term borrowings (Note 33)	-	(59,422)	-	-
Leases (Note 33)	(2,724,448)	(3,477,749)	(106,742)	(5,570)
Other financial costs (Note 33)	(3,732,982)	(3,956,057)	(2,526,629)	(2,093,760)
Total financial expenses	**(15,107,779)**	**(16,041,804)**	**(5,634,161)**	**(5,083,910)**
Interest earned on cash at banks (Note 33)	13,258	15,850	13,229	15,488
Other	525,457	-	570,064	57,907
Total financial income	**538,715**	**15,850**	**583,293**	**73,395**
Net finance result	**(14,569,064)**	**(16,025,954)**	**(5,050,868)**	**(5,010,515)**

It is noted that the interest on the long-term borrowing of the Group and the Company for the year 2019 also includes the interest of the convertible bond loan amounting to € 527,484 (2018: € 547,504).

Other financial costs of the Company and the Group mainly concern interest on debt settlements (tax obligations), financial interest arising from the treatment of part of the convertible bond as a financial liability (Note 33), financial interest on the basis of the effective interest rate method (Note 39) as well as exchange differences.

15. INCOME TAXES

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

Current income taxes	The Group		The Company	
	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018* Restated
Current income taxes	(235,933)	1,344,206	(355,823)	926,556
Income taxes from prior years	(399,710)	103,385	(200,000)	109,617
Deferred income taxes	(2,091,194)	(6,280,775)	1,231,373	(681,178)
Income taxes debit/ (credit)reported in the statement of profit and loss	**(2,726,837)**	**(4,833,184)**	**675,550**	**354,995**
Other comprehensive income				
Net (loss)/gain on actuarial gains and losses	(51,069)	35,872	(58,000)	28,388
Total income taxes debit/ (credit)reflected in the statements of income	**(2,777,906)**	**(4,797,312)**	**617,550**	**383,383**

The corporate income tax rate in Greece is set at 24% for 2019 and onwards, on the basis of Article 22 of Law 4649/2019.

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

	The Group		The Company	
	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018* Restated
Loss before tax	**(31,248,707)**	**(34,242,969)**	**(7,929,724)**	**(110,045,499)**
Income tax calculated at the nominal applicable tax rate (2019: 24%, 2018: 29%)	(7,499,690)	(9,930,461)	(1,903,134)	(31,913,195)
Tax effect of non tax deductible expenses and non-taxable income as well as temporary differences for which no deferred taxes were recognized	3,833,389	3,225,090	2,085,332	554,987
Tax losses as well as other temporary differences for which no deferred tax asset was recognised	2,225,954	1,463,344	545,954	907,601
Tax effect of different tax rates applicable to other countries where the Group operates	(6,750)	58,638	-	-
Income taxes from prior years	(400,000)	103,385	(200,000)	109,617
Tax effect of change in tax rates	(1,342,636)	246,820	(315,499)	553,339
Tax effect of non-tax deductible impairment of investments in subsidiaries	-	-	-	1,108,534
Tax effect of non-tax deductible allowance of expected credit losses on intercompany receivable	818,719	-	818,719	29,034,112
Prior years income tax reversal	(355,823)	-	(355,823)	-
Income tax reported in the statements of comprehensive income	**(2,726,837)**	**(4,833,184)**	**675,550**	**354,995**

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

Tax Compliance certificate

From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to have their statutory financial statements audited must in addition obtain an "Annual Tax Certificate" as provided for by par. 5, article 82 of L.2238/1994 and paragraph 1, article 65[a] of L.4174/2013. 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

For the years 2011, 2012 and 2013 the Company and its subsidiaries Forthnet Media SA and Netmed SA were audited by their statutory auditors as provided in par. 5 of article 82 of Law 2238/1994, while for the years 2014, 2015, 2016 and 2017 were audited by their statutory auditors as provided in article 65A of L. 4174 / 2013, without incurring significant tax liabilities other than those recorded and reflected in the financial statements.

For the Greek companies of the Group, the tax compliance certificate for the financial year 2019 is still in progress based on the provisions of article 65[a] of L.4174/2013. No significant additional tax liabilities are expected to arose, in excess of those provided for and disclosed in the financial statements.

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

On July 9, 2019, a new regulation was issued under protocol number E.2134/2019 regarding amortization of development costs (including software development costs) in the tax books,. According to this regulation, the amortization rate for software development is set to 20% in contrast to the 10% applicable to "other intangible assets" category and which was used by the Company to amortize these development costs until December 31, 2018. The impact of the changes provided by the regulation on the tax profit of the year ended December 31, 2018 amounts to a decrease of € 1,311,998 and the corresponding reduction of the "Income tax payable" amounts to € 380,479.

The above effect on the tax payable is reflected in the condensed statement of comprehensive income of the Group and the Company for the period ended December 31, 2019, which is the period when the tax was considered certain and settled.

Subsidiaries	Unaudited tax years/periods	
	From	To
Forthnet Media A.E.	1/1/2010	31/12/2010
NetMed A.E.	1/1/2010	31/12/2010
Syned A.E. (absorbed by Forthnet Media)	1/1/2010	30/9/2010
Multichoice Hellas A.E.E. (absorbed by Forthnet Media)	1/1/2010	31/12/2010

Deferred Taxes

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

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

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018*

				Restated
Deferred income tax asset	8,036,376	9,070,347	-	149,982
Deferred income tax liability	(11,632,404)	(15,047,111)	(784,917)	-
Deferred income tax asset/(liability)	**(3,596,028)**	**(5,976,764)**	**(784,917)**	**149,982**

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

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018* Restated**
Beginning balance	**(5,976,764)**	**(10,118,683)**	**149,982**	**2,731,209**
Cummulative impact from adoption of IFRS 15	-	(1,987,692)	-	(3,632,090)
Disposal of subsidiary	-	(245,613)	-	-
Income taxes [(debit)/ credit]	2,091,194	6,280,775	(1,231,373)	948,931
Income taxes [(debit)/ credit] through OCI	51,069	(35,872)	58,000	(28,388)
Income taxes [(debit)/ credit] through equity	238,473	130,320	238,474	130,320
Ending balance	**(3,596,028)**	**(5,976,764)**	**(784,917)**	**149,982**

The movement in deferred tax assets/liabilities as at December 31, 2019 and 2018 is as follows:

The Group	**01.01.2019**	**(Debit)/ Credit to the statement of comprehensive income**	**Cummulative impact from IFRS 15**	**(Debit)/ Credit to the statement of changes in shareholders' equity**	**31.12.2019**
Deferred income tax asset					
Accrued expenses & deferred expenses	7,164,457	283,172	-	-	7,447,629
Staff retirement indemnities	709,960	(183,633)	-	51,069	577,397
Contract liabilities	880,052	125,956	-	-	1,006,008
Property, plant and equipment/intangible assets & contracts cost	1,578,935	(1,178,068)	-	-	400,867
Other	1,626,356	(155,979)	-	-	1,470,377
Total	**11,959,760**	**(1,108,551)**	**-**	**51,069**	**10,902,278**
Deferred income tax liability					
Property, plant and equipment/intangible assets	(15,047,126)	2,608,046	-	-	(12,439,080)
Convertible bond loan (Note 33)	(2,889,399)	591,699	-	238,474	(2,059,225)
Total	**(17,936,525)**	**3,199,745**	**-**	**238,474**	**(14,498,306)**
Net deferred income tax asset/(liability)	**(5,976,764)**	**2,091,194**	**-**	**289,543**	**(3,596,028)**

The Group	**01.01.2018**	**(Debit)/ Credit to the statement of comprehensive income**	**Cummulative impact from IFRS 15**	**(Debit)/ Credit to the statement of changes in shareholders' equity**	**31.12.2018**
Deferred income tax asset					
Accrued expenses & deferred expenses	7,042,737	121,720	-	-	7,164,457
Staff retirement indemnities	877,751	(167,791)	-	-	709,960
Deferred revenues	6,399	359,691	513,962	-	880,052
Property, plant and equipment/intangible assets	4,339,451	(761,631)	(1,998,885)	-	1,578,935
Other	1,314,525	814,600	(502,769)	-	1,626,356
Total	**13,580,863**	**366,589**	**(1,987,692)**	**-**	**11,959,760**
Deferred income tax liability					
Property, plant and equipment/intangible assets	(20,158,238)	5,111,112	-	-	(15,047,126)
Convertible bond loan (Note 33)	(3,541,308)	521,589	-	130,320	(2,889,399)

Total	**(23,699,546)**	**5,632,701**	**-**	**130,320**	**(17,936,525)**
Net deferred income tax asset/(liability)	**(10,118,683)**	**5,999,290**	**(1,987,692)**	**130,320**	**(5,976,765)**

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

The Company	**01.01.2019**	**(Debit)/ Credit to the statement of comprehensive income**	**Cummulative impact from IFRS 15**	**(Debit)/ Credit to the statement of changes in shareholders' equity**	**31.12.2019**
Deferred income tax asset					
Accrued expenses & deferred expenses	670,562	(555,965)	-	-	114,597
Staff retirement indemnities	610,884	(181,562)	-	58,000	487,322
Contract liabilities	880,055	125,956	-	-	1,006,011
Other	936,157	(33,436)	-	-	902,721
Total	**3,097,658**	**(645,007)**	**-**	**58,000**	**2,510,652**
Deferred income tax liability					
Convertible bond loan (Note 33)	(2,881,915)	591,699	-	238,474	(2,051,741)
Property, plant and equipment/intangible assets & contracts cost	(65,761)	(1,178,068)	-	-	(1,243,829)
Total	**(2,947,676)**	**(586,368)**	**-**	**238,474**	**(3,295,570)**
Net deferred income tax asset/(liability)	**149,982**	**(1,231,375)**	**-**	**296,474**	**(784,918)**

The Company	**01.01.2018**	**(Debit)/ Credit to the statement of comprehensive income**	**Cummulative impact from IFRS 15**	**(Debit)/ Credit to the statement of changes in shareholders' equity**	**31.12.2018* Restated**
Deferred income tax asset					
Accrued expenses & deferred expenses	768,300	(97,738)	-	-	670,562
Staff retirement indemnities	723,281	(112,397)	-	-	610,884
Deferred revenues	6,401	359,692	513,962	-	880,055
Property, plant and equipment/intangible assets	4,240,615	(663,093)	(3,643,283)	-	(65,761)
Other	533,919	905,007	(502,769)	-	936,157
Total	**6,272,516**	**391,471**	**(3,632,090)**	**-**	**3,031,897**
Deferred income tax liability					
Convertible bond loan (Note 33)	(3,541,308)	529,073	-	130,320	(2,881,915)
Other	-	-	-	-	-
Total	**(3,541,308)**	**529,073**	**-**	**130,320**	**(2,881,915)**
Net deferred income tax asset/(liability)	**2,731,208**	**920,544**	**(3,632,090)**	**130,320**	**149,982**

The cumulative amount of tax losses for which no deferred tax was recognised as of December 31, 2019 amounted to € 45 million for the Group and 2.5 million for the Company (December 31, 2018: € 69.5 million for the Group and zero for the Company). The Group has not recognized a deferred tax asset on tax losses as management determines on the basis of its business plans on 31 December 2019 the criteria for recognition were not met, as unused tax losses are unlikely to be offset against future tax profits.

16. LOSS PER SHARE

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

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the year, adjusted for the impact on the convertible redeemable preference shares (e.g. stock option plan).
The following reflects the net loss and share data used in the basic and diluted earnings per share computations as at December 31, 2019 and 2018:

	The Group	
	01.01-31.12.2019	01.01-31.12.2018
Net loss attributable to the shareholders of the parent	**(28,518,485)**	**(32,294,181)**
Total weighted average number of ordinary shares	171,294,883	163,846,751
Loss per share (basic)	**(0.1665)**	**(0.1971)**
Adjusted weighted average number of ordinary shares for diluted loss per share	171,294,883	163,846,751
	(0.1665)	**(0.1971)**

For the year ended December 31, 2019 and given that the Company incurred losses, the effect of including potential common shares in the denomination of diluted per share calculations would have been anti-diluted and therefore, basic and diluted losses per share are the same.

17. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is analysed as follows:

The Group	Land	Buildings	Telecommu-nication Equipment	Transmission Equipment	Transpo-rtation Means	Furniture & Other Equipment	Equipment under constructio n	Total
COST								
At January 1, 2018	**1,672,789**	**59,843,481**	**327,193,526**	**131,689,370**	**302,940**	**33,032,249**	**-**	**553,734,355**
Additions	-	541,317	3,462,775	107,753	-	470,235	-	4,582,080
Disposals/ Write-offs	-	(3,812)	-	(53,911)	(34,221)	(92,853)	-	(184,797)
Disposal of Subsidiary	-	(139,672)	(32,440)	-	(9,864)	(2,792,391)	-	(2,974,367)
Transfers	-	-	2,800	-	-	-	-	2,800
At December 31, 2018	**1,672,789**	**60,241,314**	**330,626,661**	**131,743,212**	**258,855**	**30,617,240**	**-**	**555,160,071**
Additions	-	577,908	4,062,331	1,210	4,617	274,096	243,176	5,163,338
Disposals/ Write-offs	-	(1,924,837)	-	-	(28,931)	(112,277)	-	(2,066,045)
Transfers	-	46,087	-	-	-	709	-	46,796
IFRS 16 reclassifications	(535,200)	(2,133,854)	(4,109,000)	(123,739,890)	-	-	-	(130,517,944)
At December 31, 2019	**1,137,589**	**56,806,618**	**330,579,992**	**8,004,532**	**234,541**	**30,779,768**	**243,176**	**427,786,216**
DEPRECIATION								
At January 1, 2018	**-**	**(52,699,956)**	**(278,102,418)**	**(94,040,614)**	**(292,279)**	**(30,703,295)**	**-**	**(455,838,562)**
Depreciation expense	-	(937,256)	(11,926,515)	(9,430,610)	(1,997)	(877,761)	-	(23,174,139)
Disposals/ Write-offs	-	-	-	-	34,313	48,920	-	83,233
Disposal of Subsidiary	-	132,392	32,440	-	9,864	2,584,689	-	2,759,385

At December 31, 2018	**-**	**(53,504,820)**	**(289,996,493)**	**(103,471,224)**	**(250,099)**	**(28,947,447)**	**-**	**(476,170,083)**
Depreciation expense	-	(913,594)	(10,260,906)	(9,423,589)	(3,303)	(582,140)	-	(21,183,532)
Disposals/ Write-offs	-	1,874,542	-	1,336	26,505	108,769	-	2,011,152
IFRS 16 reclassifications	-	706,839	3,556,172	104,947,802	-	-	-	109,210,813
At December 31, 2019	**-**	**(51,837,033)**	**(296,701,227)**	**(7,945,675)**	**(226,897)**	**(29,420,818)**	**-**	**(386,131,650)**
NET BOOK VALUE								
At January 1, 2018	**1,672,789**	**7,143,525**	**49,091,108**	**37,648,756**	**10,661**	**2,328,954**	**-**	**97,895,793**
At December 31, 2018	**1,672,789**	**6,736,494**	**40,630,168**	**28,271,988**	**8,756**	**1,669,793**	**-**	**78,989,988**
At December 31, 2019	**1,137,589**	**4,969,585**	**33,878,765**	**58,857**	**7,644**	**1,358,950**	**243,176**	**41,654,566**

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

The Company	Land	Buildings	Telecommu-nication Equipment	Transpo-rtation Means	Furniture & Other Equipment	Equipment under construction	Total
COST							
At January 1, 2018	**1,672,789**	**57,769,407**	**300,417,379**	**49,622**	**17,526,967**	**-**	**377,436,163**
Additions	-	523,314	3,462,775	-	168,481	-	4,154,570
Disposals/ Write-offs	-	-	(136,980)	(9,020)	(49,012)	-	(195,012)
Transfers	-	-	2,800	-	-	-	2,800
At December 31, 2018	**1,672,789**	**58,292,721**	**303,745,974**	**40,602**	**17,646,436**	**-**	**381,398,521**
Additions	-	575,408	4,025,808	3,317	232,352	243,176	5,080,061
Disposals/ Write-offs	-	(1,924,837)	(5,016,768)	(4,805)	(110,138)	-	(7,056,547)
Transfers	-	46,087	-	-	709	-	46,796
IFRS 16 reclassifications	(535,200)	(2,133,854)	(4,109,000)	-	-	-	(6,778,054)
At December 31, 2019	**1,137,589**	**54,855,525**	**298,646,015**	**39,114**	**17,769,359**	**243,176**	**372,690,777**
DEPRECIATION							
At January 1, 2018	-	(50,713,682)	(252,040,749)	(40,761)	(16,823,005)	-	(319,618,197)
Depreciation expense	-	(917,694)	(11,412,552)	(1,710)	(328,918)	-	(12,660,874)
Disposals/ Write-offs	-	-	136,892	9,020	49,012	-	194,924
At December 31, 2018	**-**	**(51,631,376)**	**(263,316,409)**	**(33,451)**	**(17,102,911)**	**-**	**(332,084,147)**
Depreciation expense	-	(897,552)	(10,312,042)	(1,716)	(218,400)	-	(11,429,709)
Disposals/ Write-offs	-	1,874,542	5,016,738	2,379	110,135	-	7,003,794
IFRS 16 reclassifications	-	706,839	3,556,172	-	-	-	4,263,011
At December 31, 2019	**-**	**(49,947,547)**	**(265,055,541)**	**(32,788)**	**(17,211,176)**	**-**	**(332,247,051)**
NET BOOK VALUE							
At January 1, 2018	**1,672,789**	**7,055,725**	**48,376,630**	**8,861**	**703,962**	**-**	**57,817,966**
At December 31, 2018	**1,672,789**	**6,661,345**	**40,429,565**	**7,151**	**543,525**	**-**	**49,314,374**
At December 31, 2019	**1,137,589**	**4,907,979**	**33,590,474**	**6,326**	**558,183**	**243,176**	**40,443,726**

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. Furthermore, in the current year the Company registered a new prenotation in the amount of € 2 million in favor of the above banks in order to secure claims of creditor banks arising from the number 9747003854 (29-6-2007) common bond loan program.

18. INTANGIBLE ASSETS

Intangible assets of the Group are analysed as follows:

The Group	Software	Licenses & Other Intangibles	Intangibles Under Development	Total
COST				
At January 1, 2018	**60,784,641**	**502,607,723**	**3,286,960**	**566,679,324**
Reclassification due to the adoption of IFRS 15	-	(143,086,865)	-	(143,086,865)
Additions	3,176,831	-	1,144,228	4,321,059
Disposals/ Write-offs	-	(117,521,831)	-	(117,521,831)
Transfers	2,276,240	39,060	(2,318,100)	(2,800)
Disposal of subsidiary	(7,049,861)	-	(932,237)	(7,982,098)
At December 31, 2018	**59,187,851**	**242,038,087**	**1,180,851**	**302,406,789**
Additions	2,248,769	5,900	2,593,241	4,847,910
Disposals/ Write-offs	(33,775,218)	-	-	(33,775,218)
Transfers	954,684	25,009,971	(1,001,480)	24,963,175
At December 31, 2019	**28,616,086**	**267,053,958**	**2,772,612**	**298,442,655**
AMORTIZATION				
At January 1, 2018	**(50,510,227)**	**(420,097,227)**	**-**	**(470,607,454)**
Reclassification due to the adoption of IFRS 15	-	133,201,240	-	133,201,240
Cummulative impact from adoption of IFRS 15	-	-	-	-
Amortization expense	(6,195,603)	(182,663)	-	(6,378,266)
Amortization of intangible assets recognized from the acquisition in the past	-	(12,266,667)	-	(12,266,667)
Disposals/ Write-offs	-	117,521,831	-	117,521,831
Disposal of subsidiary	6,574,802	-	-	6,574,802
Transfers	1,174,066	(1,174,066)	-	-
At December 31, 2018	**(48,956,962)**	**(182,997,552)**	**-**	**(231,954,514)**
Amortization expense	(5,062,869)	(96,843)	-	(5,159,712)
Amortization of intangible assets recognized from the acquisition in the past	-	(12,266,667)	-	(12,266,667)
Disposals/ Write-offs	33,775,218	-	-	33,775,218
Transfers	-	(25,009,971)	-	(25,009,971)
At December 31, 2019	**(20,244,613)**	**(220,371,033)**	**-**	**(240,615,646)**
NET BOOK VALUE				
At January 1, 2018	**10,274,414**	**82,510,496**	**3,286,960**	**96,071,870**
At December 31, 2018	**10,230,889**	**59,040,535**	**1,180,851**	**70,452,275**
At December 31, 2019	**8,371,473**	**46,682,925**	**2,772,612**	**57,827,010**

Intangible assets of the Company are analysed as follows:

The Company	Software	Licenses & Other Intangibles	Intangibles Under Development	Total
COST				
At January 1, 2018	**40,822,438**	**154,591,095**	**2,088,866**	**197,502,399**
Reclassification due to the adoption of IFRS 15 (Note 19)	-	(55,919,855)	-	(55,919,855)
Additions	2,048,654	-	1,010,980	3,059,634
Disposals/ Write-offs	-	(90,132,890)	-	(90,132,890)
Transfers	2,056,507	39,060	(2,098,369)	(2,802)
At December 31, 2018	**44,927,599**	**8,577,410**	**1,001,477**	**54,506,486**
Additions	1,387,658	-	2,473,486	3,861,144
Disposals/ Write-offs	(33,775,218)	-	-	(33,775,218)
Transfers & reclassifications	954,684	-	(1,001,480)	(46,796)
At December 31, 2019	**13,494,723**	**8,577,410**	**2,473,483**	**24,545,616**
AMORTIZATION				
At January 1, 2018	(33,347,594)	(148,306,885)	-	(181,654,479)
Reclassification due to the adoption of IFRS 15 (Note 19)	-	50,778,228	-	50,778,228
Cummulative impact from IFRS 15	-	-	-	-
Amortization expense	(4,663,437)	-	-	(4,663,437)

Disposals/ Write-offs	-	90,132,890	-	90,132,890
Transfers & reclassifications	1,174,066	(1,174,066)	-	-
At December 31, 2018	**(36,836,965)**	**(8,569,833)**	**-**	**(45,406,798)**
Amortization expense	(3,909,617)	-	-	(3,909,617)
Disposals/ Write-offs	33,775,218	-	-	33,775,218
At December 31, 2019	**(6,971,364)**	**(8,569,833)**	**-**	**(15,541,197)**
NET BOOK VALUE				
At January 1, 2018	**7,474,844**	**6,284,210**	**2,088,866**	**15,847,920**
At December 31, 2018	**8,090,634**	**7,577**	**1,001,477**	**9,099,688**
At December 31, 2019	**6,523,359**	**7,577**	**2,473,483**	**9,004,419**

The prior year write-offs presented in the table above, for both the Group and the Company, relate to licences and other intangibles which were fully amortized on 31/12/2018. The write-off did not have an impact on the financial statements except for the presentation of cost and accumulated amortization in the above movement table of intangible assets.
Furthermore, the current year write-offs presented in the above table, for both the Group and the Company, relate to software which was fully amortized as at 31/12/2019. The write-off did not have an impact on the financial statements except for the presentation of cost and accumulated amortization in the above movement table of intangible assets.

In the current year the account “transfers” related to “licences and other intangibles” of the Group, refers to correction of prior year disposals on cost and accumulated amortization. The correction did not have an impact on the financial statements except for the presentation of cost and accumulated amortization in the above movement table of intangible assets.

In the current year 2019, total investment in intangible assets mainly concern the upgrading and development of software programs.

19. CONTRACTS COST

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

The Group	Contract Cost
COST	
At January 1, 2018	**-**
Reclassification due to the adoption of IFRS 15 (Note 18)	143,086,865
Additions	15,011,915
At December 31, 2018	**158,098,780**
Additions	14,393,323
At December 31, 2019	**172,492,103**
AMORTIZATION	
At January 1, 2018	**-**
Reclassification due to the adoption of IFRS 15 (Note 18)	(133,201,240)
Cummulative impact from IFRS 15	26,490,771
Amortization expense	(19,680,918)
At December 31, 2018	**(126,391,386)**
Amortization expense	-15,466,727
At December 31, 2019	**(141,858,114)**
NET BOOK VALUE	
At January 1, 2018	**0**
At December 31, 2018	**31,707,393**
At December 31, 2019	**30,633,989**

The Company	Contract Cost
COST	
At January 1, 2018	-
Reclassification due to the adoption of IFRS 15 (Note 18)	55,919,855
Additions	7,932,838
At December 31, 2018	**63,852,692**
Additions	8,115,968
At December 31, 2019	**71,968,660**
AMORTIZATION	
At January 1, 2018	**-**
Reclassification due to the adoption of IFRS 15 (Note 19)	(50,778,228)
Cummulative impact from IFRS 15	6,892,706
Amortization expense	(10,209,600)
At December 31, 2018 (published)	**(54,095,122)**
Correction of error identified on 2019	6,091,142
At December 31, 2018* (restated)	**(48,003,980)**
Amortization expense	-7,521,969
At December 31, 2019	**(55,525,949)**
NET BOOK VALUE	
At January 1, 2018	**0**
At December 31, 2018 (published)	**9,757,571**
At December 31, 2018 (Restated)	**15,848,712**
At December 31, 2019	**16,442,711**

Contract costs mainly include commission fees to commercial partners, installation fees, activation costs and equipment costs. More information on the Group's accounting policy on Contract Costs is provided in Note 4.

20. GOODWILL

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

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
MBA S.A.	512,569	512,569	512,569	512,569
NetMed N.V. Group and Intervision B.V.	285,965,176	285,965,176	-	-
	286,477,745	**286,477,745**	**512,569**	**512,569**
Impairment of Goodwill -NetMed N.V. Group and Intervision B.V.	(203,333,528)	(203,333,528)	-	-
Total	**83,144,217**	**83,144,217**	**512,569**	**512,569**

At December 31, 2019 the Group performed its annual impairment test at Group level (a single cash generating unit "CGU").

The recoverable amount of the single operating segment (the Group) has been determined based on a value in use calculation using cash flow projections from financial forecasts covering an eight-year period, which were based on the, approved by the management, five-year financial budget. The use of more than a five-year period is justified by the fact that the expected normalization of the market and the consumption will take place throughout the eight year period. The pre-tax discount rate applied to cash flow projections is 9.01% (December 31, 2018: 11.06%), while growth rate to perpetuity used (beyond the eight-year period) was 1.5% (December 31, 2018: 1.5%) after taking into account the long-term prospective of the Group.

The carrying value of the net assets of the Group was lower than its recoverable amount and consequently no impairment loss was recognized as at December 31, 2019 (December 31, 2018: no impairment loss was recognized).

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

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

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

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

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

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

21. INVESTMENTS IN SUBSIDIARIES

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

Entity	Country of Incorporation	Consolidation Method	Participation Relationship	Equity Interest %		Carrying Value	
				31.12.2019	31.12.2018	31.12.2019	31.12.2018
Forth-CRS S.A.*	Greece	Full	Direct	0.00%	0.00%	-	-
Forthnet Media S.A.	Greece	Full	Direct	99.99%	99.99%	-	-
						-	-

* The subsidiary Forth-CRS S.A. was sold on September 2018. However it is presented in the above table due to itsimpact in the Group Statement of Comprehensive income of 2018.

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

As at December 31, 2018 the Company proceeded with the impairment testing of its investments in subsidiaries. Companies' carrying value of investment in the subsidiary was higher than the recoverable amount and consequently an impairment loss was recognized by that amount as at December 31, 2018.

As at December 31, 2019 the investments in subsidiaries account was zero and there were no indications of impairment, hence, the Company did not proceed to any impairment review.

For additional reference in the material assumptions used by management in the impairment test process please refer to note 20 "Goodwill".

22.OTHER NON CURRENT ASSETS

Other non-current assets are analysed as follows:

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Guarantees	2,002,288	2,068,838	156,107	199,272
Prepayments to suppliers	147,875	565,708	-	-
Other long term receivables	344,560	420,761	344,560	420,761
Total	**2,494,723**	**3,055,307**	**500,667**	**620,033**

23. OTHER FINANCIAL ASSETS

Other financial assets are analysed as follows:

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Shares -unlisted	339,389	339,389	248,394	248,394
Total	**339,389**	**339,389**	**248,394**	**248,394**

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

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

24. INVENTORIES

Inventories are analysed as follows:

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Merchandise	2,885,581	3,366,918	909,445	1,120,134
Consumables	-	62,578	-	-
Obsolete & slow moving provision	(506,196)	(1,012,638)	(457,753)	(529,689)
Total	**2,379,385**	**2,416,858**	**451,692**	**590,445**

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

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Beginning balance	1,012,639	1,274,382	529,689	608,130
Provision for the year	-	-	-	-
Less: Utilisation	(506,443)	(261,744)	(71,937)	(78,441)
Ending balance	**506,196**	**1,012,638**	**457,752**	**529,689**

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

25. PROGRAMME AND FILM RIGHTS

Programme and film rights receivable are analysed as follows:

	The Group	
	31.12.2019	31.12.2018
Cost		
Sports rights	76,297,654	78,025,092
Licensed film rights	6,482,613	6,437,163
Cost of Sports and Film Rights	**82,780,267**	**84,462,255**
Amortisation		
Sports rights	(44,614,412)	(48,020,497)
Licensed film rights	(3,516,763)	(3,782,861)
Sports and Film Rights Amortisation	**(48,131,175)**	**(51,803,358)**

Net Value		
Sports rights	31,683,242	30,004,595
Licensed film rights	2,965,850	2,654,302
Sports and Film Rights, net value	**34,649,092**	**32,658,897**

It is clarified that the rights to sports programs and films, as well as the respective obligations towards the suppliers, are recognized at the start of the exploitation period which concerns each right to display.

26. TRADE RECEIVABLES

Trade receivables are analysed as follows:

	The Group		**The Company**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Domestic customers	109,911,263	109,344,511	67,451,275	66,500,905
Foreign customers	1,621,437	1,787,839	562,991	802,242
Receivables from Greek State	1,702,737	1,770,379	1,472,707	1,540,349
Cheques and notes receivable	2,780,655	1,729,891	1,222,394	1,319,854
Total	**116,016,092**	**114,632,620**	**70,709,367**	**70,163,350**
Less: Allowance for doubtful accounts receivable	(81,966,995)	(78,450,760)	(52,281,867)	(50,173,329)
Total	**34,049,097**	**36,181,860**	**18,427,500**	**19,990,021**

The movement in the allowance for expected credit losses, which is recognized in the income statement in the line "Sundry expenses" (Note 12), is analyzed as follows

	The Group		**The Company**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Beginning balance	**78,450,760**	**74,969,811**	**50,173,329**	**44,604,188**
Cummulative impact from adoption of IFRS 9	-	2,093,387	-	1,244,523
Provision for the period	3,748,764	6,642,289	2,199,875	4,388,386
Reclassification to related companies	(19,481)	(7,005)	(19,481)	(7,005)
Less: Write off or provision due to disposal of subsidiary (Note 20)	-	(2,046,248)	-	-
Less: Utilization	(213,047)	(3,201,474)	(71,857)	(56,763)
Ending balance	**81,966,996**	**78,450,760**	**52,281,866**	**50,173,329**

The ageing analysis of trade receivables is as follows:

	The Group		**The Company**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Neither past due nor impaired	26,725,412	27,580,292	15,163,507	15,546,235
Past due not impaired:				
60-90 days	2,710,349	1,985,168	933,253	1,074,089
90-180 days	1,699,169	2,458,166	868,109	1,150,233
181-365 days	1,877,350	1,642,085	764,641	1,140,819
>365 days	1,036,817	2,516,147	697,989	1,078,646
Ending balance	**34,049,097**	**36,181,859**	**18,427,499**	**19,990,021**

The Company's and Group's trade accounts receivable are pledged as collateral for an amount equal to 50% of the outstanding balances of the related bond loans (Note 33).

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

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

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

Group	< 30 days	31 - 60 days	61 - 90 days	91 - 360 days	> 360 days	
Expected credit losses in %	3%	5%	41%	63% - 84%	100%	TOTAL
Total trade receivables	21,055,748	6,300,248	2,949,677	7,160,011	78,550,408	116,016,092
Expected credit loss	443,408	192,491	239,328	3,577,792	77,513,976	81,966,995

Company	< 30 days	31 - 60 days	61 - 90 days	91 - 360 days	> 360 days	
Expected credit losses in %	3%	6%	39%	58% - 83%	100%	TOTAL
Total trade receivables	12,150,503	3,403,699	1,047,046	3,410,236	50,697,882	70,709,367
Expected credit loss	272,555	123,484	113,793	1,771,786	50,000,278	52,281,896

27. CONTRACT ASSETS / LIABILITIES

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

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Contract assets (short term)	17,869,314	13,139,718	17,687,245	12,799,168
Contract assets (long term)	5,498,786	5,337,186	5,498,786	5,337,186
Total contract assets	**23,368,100**	**18,476,904**	**23,186,031**	**18,136,354**
Contract liabilities (short term)	20,302,621	22,268,835	12,133,820	12,317,977
Contract liabilities (long term)	6,438,207	6,832,296	6,247,531	6,641,620
Total contract liabilities	**26,740,828**	**29,101,131**	**18,381,351**	**18,959,597**

As at December 31, 2019, the account balance "Contract assets (short term)" of the Group and the Company contains accrued income amounted to € 14,245,415 relating to telephony services provided to NRA as the Company operates as the universal service provider in Greece. (December 31, 2018: € 9,494,375 for the Group and the Company).

As at December 31, 2019, the un-invoiced (accrued) revenue amounted to € 18,163,215 for the Group and € 17,981,146 for the Company (31 December 2018: €12,589,837 and €12,258,287 respectively) and is included in the caption "Assets from contracts with customers" (short and long term respectively) as presented above.

Furthermore the account balances "Contract assets" and "Contract liabilities" contain prepaid expenses and deferred income respectively, relating to swap contracts for fiber optic networks and capacities, which are accounted under IFRS 15.

The abovementioned prepaid expenses and deferred income for the Group and the Entity as at December 31, 2019 amount equally for “Contract assets” and “Contract liabilities” to € 5,204,885 of which € 4,531,704 refers to the long-term portion. (December 31, 2018: € 5,878,067 of which € 5,204,885 refers to the long-term portion).

Revenue recognized in the current year that was included in the liabilities from contracts with customers at the beginning of the year amounts to € 22,268,835 and € 12,317,977 respectively for the Group and the Company (December 31, 2018: € 25,773,603 και € 13,339,410 respectively).

The total amount of the transaction price allocated to the performance obligations that has not been (or has been partially fulfilled) at 31 December 2019 amounts to € 26,740,827 and € 18,381,351 respectively for the Group and the Company. These amounts are expected to be recognized as revenue over the next 2 fiscal years (2020 and 2021), with the exception of an amount of € 6,010,304 to be recognized in the Group's and Company's income until the year 2033.

It is noted that as at 31 December 2019, "Assets from contracts with customers" include an allowance for expected credit losses of € 15,493 for the Group and the Company (31.12.2018: € 363,480 and € 372,187 for the Group and the Company respectively). This estimate was calculated using the provision matrix indicated in Note 26 (<30 days).

28. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments and other receivables are analysed as follows:

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Receivables due from the Greek State	1,643,052	934,426	500,982	33,238
Prepaid expenses	2,184,933	2,294,036	891,691	829,738
Value Added Tax	70,448	242,787	-	237,289
Advances to suppliers	264,820	376,604	127,404	376,605
Other debtors	2,807,491	2,827,826	1,798,334	1,722,509
Total	**6,970,744**	**6,675,679**	**3,318,411**	**3,199,379**
Less: Allowance for doubtful accounts receivable	(2,734,546)	(2,919,464)	(700,287)	(885,204)
Total	**4,236,198**	**3,756,215**	**2,618,124**	**2,314,175**

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

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Beginning balance	**2,919,464**	**2,828,196**	**885,204**	**854,550**
Provision for the period	(6,556)	-	(6,556)	30,654
Less: Utilization	(178,361)	91,268	(178,361)	-
Ending balance	**2,734,547**	**2,919,464**	**700,287**	**885,204**

29. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents are analyzed as follows:

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash in hand	38,618	41,654	34,330	11,173
Cash at banks	1,680,527	1,490,442	1,319,637	890,251
Time deposits	153	153	-	-
Total	**1,719,298**	**1,532,249**	**1,353,967**	**901,424**
Restricted cash	5,200,523	5,477,465	5,080,050	5,404,812
Total	**6,919,821**	**7,009,714**	**6,434,017**	**6,306,236**

Bank deposits are priced at floating rates based on monthly bank rates. Interest income from sight and time deposits with banks was accounted for using the accrual method and amounted to € 13,258 and € 13,229 respectively for the Group and the Company at 31 December 2019 (31 December 2018: € 15,850 and € 15,488 for the Group and the Company respectively) and are included in line "Financial income" in the accompanying financial statements of total comprehensive income (Note 14).
Restricted cash refer to pledge agreements for the issuance of letters of guarantee in favour of third parties (Note 43).

30. SHARE CAPITAL

The share capital of the Company as at 31 December 2019 amounted to € 51,779,870 divided into 172,599,567 common registered shares of nominal value € 0.30 each (31 December 2018: € 49,156,253 divided into 163,854,177 common registered shares of nominal value € 0.30 each).

By decision of the Board of Directors dated 27 February 2019 and 3 December 2019 the Company increased its share capital by € 2,616,971 and € 6,646 respectively due to the conversion of a total of 8,745,390 convertible bonds with a nominal value of € 0.30 each with a conversion price of € 0.30 per bond, from the existing convertible bond issued by the Company with a total nominal value of € 70.124.680.

Following the above, the share capital of the Company amounts to € 51,779,870 and is divided into 172,599,567 common registered shares of a nominal value of thirty cents (€ 0.30) each. Similarly, the total number of voting rights of the Company amounted to 172,599,567.

31. OTHER RESERVES

Other reserves are analysed as follows:

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Legal reserve	73,550	181,219	94,031	94,031
Tax-free reserves	1,777,947	1,776,905	1,690,547	1,689,504
Special reserves	790,979	683,310	122,446	122,446
Other	188,895,701	189,650,869	189,432,941	190,188,112
Total	**191,538,177**	**192,292,303**	**191,339,965**	**192,094,093**

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

Tax Free Reserve: Tax-free and specially taxed reserves represent interest income which is either free of tax or a 15% tax has been withheld at source. This income is not taxable, assuming there are adequate profits from which respective tax-free reserves can be established. According to the Greek tax regulations, this reserve is exempt from income tax, provided it is not distributed to shareholders. The Group has no intention of distributing this reserve and, accordingly, has not provided for deferred income tax that would be required in the event the reserve is distributed.
Special Reserve: Under Greek corporate law, corporations may establish a special reserve without a particular purpose after the decision of the shareholders at their Annual General Meeting or if required by its Articles of Association. The special reserve has been created from non-distributed prior year after tax profits.

Other: Relates mainly to the formation of a special reserve of € 179,523,180, in accordance with the decision of the Company's Shareholders' Extraordinary General Assembly held on August 23, 2012, equal to the share capital decrease that took place through the decrease of the nominal value of the Company's existing shares according to art. 4 par.4a of the C.L. 2190/1920.This special reserve may be used in accordance with the provisions of law either for capitalization or for off-set against losses. According to the Greek tax regulations, the future capitalization or the off-set against losses are exempt from income tax. In addition is included the amount of € 9,832,516 relates to the difference of the present value from the issue value of the convertible bond, net of deferred tax (Note 33).

32. DIVIDENDS

No dividends were paid or proposed during the years ended December 31, 2019 and 2018.

33. LONG-TERM AND SHORT-TERM BORROWINGS

Long-term Loans:

Long-term loans for the Group and the Company at December 31, 2019 and 2018, are analysed as follows:

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Convertible bond loan	42,825,040	42,977,769	42,825,040	42,977,769
Other bond loans	255,000,000	255,000,000	78,461,538	78,461,538
Total	**297,825,040**	**297,977,769**	**121,286,578**	**121,439,307**
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	**42,825,040**	**42,977,769**	**42,825,040**	**42,977,769**

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

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

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

During the year January 1, 2019 to December 31, 2019, some bondholders converted 8,745,390 bonds into Company shares. As a result of the above conversion, the remaining bonds of the CBL stood as at 31.12.2019 at 171,246,551 with a value of € 51,373,965. Following the aforementioned conversion and the resulting share capital increase by € 2,623,617 the obligation from the convertible bond loan decreased by € 1,629,975 while the other reserves were decreased by € 993,642.

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

The Group has submitted requests for waiver to the lending banks in order to further extend the repayment of capital installments. The lending banks have accepted the requested and granted a waiver up till 31 October 2019. The Group has submitted on 24th September 2019 a new request for further extension (waiver) to 30 April 2020, with although receiving a reply until the day of approval of the separate and consolidated financial statements.

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

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

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

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

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

Having fulfilled the basic obligation of repaying the € 70 million, since July 2017, the Group and the lending banks have exchanged drafts of the refinancing agreement and those drafts are currently under processing in order to be finalized and this way complete the refinancing procedure of current bond loans. There has been no progress on this procedure until today.

As at December 31, 2019 the Group has not made contractual payments of € 255.0 million (December 31, 2018: € 255.0 million) required by its bond loan agreements.

Total interest expense on long-term loans for the period ended December 31, 2019 amounted to € 8,650,349 (31 December 2018: € 8,548,576) for the Group and € 3,000,790 for the Company (31 December 2018: € 2,984,580) and are included in the line "Financial expenses" in the attached statements of total comprehensive income. The amount of interest due for the Group amounting to € 19,239,568 (31 December 2018: € 12,098,827) and the Company of € 5,361,460 (31 December 2018: € 3,152,304) is included in the line "Accrued and other current liabilities" in the Statement of Financial Position.

Short-term borrowings

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

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Credit lines available	1,112,129	1,296,200	38,400	38,400
Unused portion	-	-	-	-
Used portion	**1,112,129**	**1,296,200**	**38,400**	**38,400**

The increase in short-term borrowings compared to 31.12.2018 is due to the short-term financing received by the Group in May 2018 of a total value of € 3,000,000 and a six-month floating Euribor rate plus a margin of 3% in order to cover its obligations towards important suppliers. From the total amount of € 3,000,000 the amounts of € 38,400 and € 1,257,800 for the Company and the subsidiary company Forthnet Media A.E. respectively, relate to newly raised funds while the amount of € 1,703,800 relates to the release of restricted deposits. For the aforementioned short-term financing the Group has pledged the receivables of the subsidiary Forthnet Media A.E. resulting from the wholesale agreements between the latter and Vodafone - Panafon AEET and Wind Hellas SA. It is noted that the current period decrease relates to payment of amount € 184,070.

34. TRANSPONDER LEASE OBLIGATIONS

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

The lease transponders obligations are analyzed as follows:

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Obligation under lease	**28,480,602**	**41,092,076**	**-**	**-**
Less: Current portion	(13,721,055)	(12,611,474)	-	-
Long-term portion	**14,759,547**	**28,480,602**	**-**	**-**

Future minimum lease payments under the lease of transponders in relation with the present value of the net minimum lease payments for the Group as at December 31, 2019 and 2018, is as follows:

The Group	31.12.2019		31.12.2018	
	Minimum payments	**Present value of payments**	**Minimum payments**	**Present value of payments**
Within one year	15,352,000	13,721,055	15,200,000	12,611,474
After one year but no more than five years	15,352,000	14,759,547	30,704,000	28,480,602
Over five years	-	-	-	-
Total minimum lease payments	**30,704,000**	**28,480,602**	**45,904,000**	**41,092,076**
Less: amounts representing finance charges	(2,223,399)	-	(4,811,925)	-
Present value of minimum lease payments	**28,480,602**	**28,480,602**	**41,092,076**	**41,092,076**

35. OTHER LEASE OBLIGATIONS

The other lease obligations comprise of lease of buildings, cars and equipment under IFRS 16. Specifically the account balance contains the lease of Tavros building located on 7, Menemenis str., the lease of Kolonos building located on 58 Antigonis str. and the leased cars pool. Specifically, the aforementioned lease liabilities are presented as follows:

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Obligation under lease	**2,630,314**	**254,772**	**2,246,553**	**254,772**
Less: Current portion	(661,210)	(218,063)	(584,417)	(218,063)
Long-term portion	**1,969,104**	**36,709**	**1,662,136**	**36,709**

Future minimum lease payments under the lease compared to the present value of the net minimum lease payments for the Group and the Company as at December 31, 2019 and 2018 are as follows:

The Group	31.12.2019		31.12.2018	
	Minimum payments	**Present value of payments**	**Minimum payments**	**Present value of payments**
Within one year	897,751	661,684	220,388	218,064
After one year but no more than five years	1,874,839	1,511,440	36,779	36,708
Over five years	484,430	457,190	-	-
Total minimum lease payments	**3,257,020**	**2,630,314**	**257,167**	**254,772**
Less: amounts representing finance charges	(626,707)	-	(2,395)	-
Present value of minimum lease payments	**2,630,314**	**2,630,314**	**254,772**	**254,772**

Company	31.12.2019		31.12.2018	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	743,641	584,604	220,388	218,064
After one year but no more than five years	1,464,176	1,204,760	36,779	36,708
Over five years	484,430	457,190	-	-
Total minimum lease payments	**2,692,247**	**2,246,553**	**257,167**	**254,772**
Less: amounts representing finance charges	(445,694)	-	(2,395)	-
Present value of minimum lease payments	**2,246,553**	**2,246,553**	**254,772**	**254,772**

36.OTHER LONG TERM LIABILITIES

Other long term liabilities are analyzed as follows:

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Long term portion of settled liability relating to duty payable in accordance with Law 2644/1998 (Note 39)	5,605,120	7,581,979	-	-
Long term portion of settled liability to foreign supplier (Note 39)	6,795,679	7,191,311	-	-
Settled liability for pay tv tax	702,183	-	702,183	-
Guarantees of shops	349,669	356,529	349,669	356,529
Duty payable in favour of blinds	802,055	886,194	-	-
Long term portion of other deferred income	228,851	7,065	(3,524)	7,065
Total	**14,483,556**	**16,023,079**	**1,048,328**	**363,594**

37. RESERVE FOR STAFF RETIREMENT INDEMNITIES

State Pension: The Company's employees are covered by one of several Greek State sponsored pension funds. Each employee is required to contribute a portion of their monthly salary to the fund, with the Company also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. As such, the Company has no legal or constructive obligation to pay future benefits under this plan. The contributions to the pension funds for the years ended December 31, 2019 and 2018 amounted to € 6,128,770 and € 6,519,892 respectively for the Group and € 3,816,630 and € 3,869,203, for the Company respectively (Note 11).

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

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

An international firm of independent actuaries evaluated the Group's liabilities arising from the obligation to pay retirement indemnities. The details and principal assumptions of the actuarial study as at December 31, 2019 and 2018 are as follows:

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Present value of unfunded obligations	4,401,177	4,050,255	2,718,343	2,443,546
Fair value of plan assets	-	-	-	-
Net Liability in statement of financial position	**4,401,177**	**4,050,255**	**2,718,343**	**2,443,546**
Components of net periodic pension cost				
Service cost	218,255	276,214	142,497	179,269

Interest cost	80,882	78,412	48,871	44,893
Regular charge to operations	**299,137**	**354,626**	**191,368**	**224,162**
Recognition of past service cost	2,996	-	2,106	-
Additional cost of extra benefits	479,330	900,842	301,704	553,572
Total charge in profit and loss (Note 11)	**781,463**	**1,255,468**	**495,178**	**777,734**
Reconciliation of benefit obligation				
Present value of liability at start of period	**4,050,255**	**4,423,878**	**2,443,546**	**2,494,079**
Service cost	218,255	276,214	142,497	179,269
Interest cost	80,882	78,412	48,871	44,893
Benefits paid	(657,650)	(1,205,094)	(428,393)	(714,715)
Extra payments or expenses	479,330	900,842	301,704	553,572
Disposal of subsidiary	-	(223,740)	-	-
Recognition of past service cost	2,996	-	2,106	-
Actuarial gains/(loss) in other comprehensive income	227,109	(200,257)	208,012	(113,552)
	4,401,177	**4,050,255**	**2,718,343**	**2,443,546**
Assumptions:				
Discount Rate	1.25%	2.00%	1.25%	2.00%
Rate of compensation increase	1.5%	0.0% for 2019, 1.75% thereafter	1.5%	0.0% for 2019, 1.75% thereafter
Increase in consumer price index	1.50%	1.75%	1.50%	1.75%

The additional cost of extra benefits relates to benefits paid to employees who became redundant. Most of these benefits were not expected within the terms of this plan and, accordingly, the excess of benefit payments over existing reserves have been treated as an additional pension charge. The additional pension charge for the years ended December 31, 2019 and 2018 amounted to € 479,330 and € 900,842 respectively for the Group and € 301,704 and € 553,572 respectively for the Company. Actuarial gain / losses were recognized in other comprehensive income.

A quantitative sensitivity analysis for significant assumption as at 31 December 2019 is shown below:

The Group		**Discount rate**		**Future salary increases**		**Life expectancy of pensioners**		**Withdrawal rate**
Sensitivity Level		**0,5% increase**	**0,5% decrease**	**0,5% increase**	**0,5% decrease**	**Increase by 1 year**	**Decrease by 1 year**	**0%**
Impact on defined benefit obligation	**31.12.2019**	(404,908)	453,321	365,298	(404,908)	44,012	(48,413)	1,241,132
	31.12.2018	(384,774)	429,327	332,121	(364,523)	44,553	(44,553)	672,342
The Company		**Discount rate**		**Future salary increases**		**Life expectancy of pensioners**		**Withdrawal rate**
Sensitivity Level		**0,5% increase**	**0,5% decrease**	**0,5% increase**	**0,5% decrease**	**Increase by 1 year**	**Decrease by 1 year**	**0%**
Impact on defined benefit obligation	**31.12.2019**	(250,088)	279,989	225,622	(250,088)	27,183	(29,902)	766,573
	31.12.2018	(232,137)	259,016	200,371	(219,919)	26,879	(26,879)	405,629

With regard to the mortality assumption the table used is called EVK2000 which is based on Swiss mortality.
The expected future payments arose from the defined benefit plans are analyzed as follows:

	The Group		**The Company**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Within the next 12 months (next annual reporting period)	12,320	12,320	-	-
Between 2 and 5 years	49,960	67,681	11,268	30,742
Between 5 and 10 years	193,260	201,170	72,528	74,876

Beyond 10 years	7,234,892	8,309,738	4,731,415	5,304,118
Total expected payments	**7,490,433**	**8,590,909**	**4,815,210**	**5,409,736**

The average duration of the defined benefit plan obligation at the end of the reporting period is 21.5 years (2018: 21.5 years).

38. GOVERNMENT GRANTS

Government grants are analyzed as follows:

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Government grant N. 3299/2004	9,567,701	9,567,701	9,000,000	9,000,000
Subprojects 6 & 7 of the Operational Programme “Information Society”	19,532,612	19,532,612	19,532,612	19,532,612
Government Grants	**29,100,313**	**29,100,313**	**28,532,612**	**28,532,612**
Accumulated amortiszation	(25,635,043)	(24,698,237)	(25,067,343)	(24,130,536)
Amortization for the period	(912,002)	(936,807)	(912,002)	(936,807)
Ending balance	**2,553,268**	**3,465,270**	**2,553,268**	**3,465,270**

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

39. TRADE PAYABLES

Trade payables are analyzed as follows:

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Domestic suppliers	58,893,750	61,899,688	25,912,754	26,292,569
Foreign suppliers	42,269,922	30,023,189	2,494,643	2,591,922
Post-dated cheques payable	2,370,697	574,022	857,402	502,333
Total	**103,534,369**	**92,496,899**	**29,264,799**	**29,386,824**

According to L.2644/1998, in order to provide subscription, radio and television services, Forthnet Media S.A. is obliged to give part of its subscription services. The Group, during the second quarter of 2015, received notice from the General Secretariat of Information and Communication for the payment of the part related to years 2011, 2012 and 2013, amounting to € 14,864,862, and which was set to be paid in 100 installments until the year 2023, under the L. 4321/2015. The present value of this obligation at December 31, 2019, amounted to € 7,581,979 (December 31, 2018: € 9,494,084).
The total long-term portion of € 5,605,120 (December 31, 2018: € 7,581,979) of the amount due has been transferred from the Domestic Suppliers in “Other Long-Term Liabilities” line (Note 36). The result from the present value adjustment of € 287,587 (December 31, 2018: € 350,220) was included in “Other financial costs” (Note 14).

Furthermore, within July 2016, a Group Settlement Agreement with a foreign supplier was reached for a liability amount of € 12,250,000. As at 31 December 2019, the measurement result of the effective interest method of € 438,725 (31 December 2018: € 421,720) is included in “Other financial costs” (Note 14).

The present value of this liability at 31 December 2019 is € 7,252,095 (31 December 2018: € 7,630,036). The long-term portion of € 6.795.678 (31 December 2018: € 7,191,311) of the payable amount has been transferred from foreign suppliers to “Other long-term liabilities” (note 36).

40. PROGRAMME AND FILM RIGHTS OBLIGATIONS

Programme and film rights obligations are analyzed as follows:

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Programmes and Rights	36,325,689	36,901,455	2,435,192	4,115,507
Less: Current portion	(36,325,689)	(36,901,455)	(2,435,192)	(4,115,507)
Long Term portion	-	-	-	-

The program and film rights obligations relate to the outstanding un-invoiced part of the relevant rights at 31 December 2019 and 31 December 2018.
The above line is also directly related to line of the statement of financial position "Program and film Rights" (Note 25).

41. ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities are analyzed as follows:

	The Group		The Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Social security payable	3,144,654	3,769,552	1,967,703	2,122,852
Value added tax	532,104	1,965,205	104,314	-
Other taxes and duties	16,892,580	11,080,235	11,373,103	8,246,148
Interest Accrued (Note 33)	19,239,568	12,098,827	5,361,460	3,152,304
Other current liabilities	2,993,948	2,717,796	2,047,073	1,672,495
Liabilities from rights & licences	6,040,721	5,562,556	-	-
Total	**48,843,576**	**37,194,171**	**20,853,653**	**15,193,799**

Other current liabilities mainly relates to personnel benefits payable (personnel bonus, accrual for untaken leave, payroll which is paid in the first days of the following month and balances payables from termination indemnities)

The increase in “Other taxes and duties payable” and the “Social security payable” is due to additional settlements for repayment of taxes, fees and social security contributions.

42. RELATED PARTIES

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

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

Related Party	**Relation with the Group**	**Year ended at**	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2019	5,184,814	3,452,142	797,107	1,370,073
		31.12.2018	4,086,707	3,241,196	301,868	551,124
Vodafone S.A.	Shareholder	31.12.2019	5,894,473	3,336,759	245,214	769,387
		31.12.2018	4,712,095	2,487,152	300,428	548,014
Technology and Research Foundation	Shareholder	31.12.2019	30,273	3,254	24,611	813
		31.12.2018	32,970	44,200	24,671	333
Lumiere Productions S.A.	Shareholder	31.12.2019	-	-	-	6,378
		31.12.2018	-	-	-	6,378
Lumiere Cosmos Communications	Shareholder	31.12.2019	-	-	-	-
		31.12.2018	-	-	-	10
ALPHA BANK SA	Shareholder	31.12.2019	230,363	148,939	150,392	15,985
		31.12.2018	230,191	133,212	88,217	15,155
NATIONAL BANK OF GREECE SA	Shareholder	31.12.2019	71,075	139,142	148,133	36,513
		31.12.2018	191,693	156,853	137,679	124,455
PIRAEUS BANK SA	Shareholder	31.12.2019	788,245	86	150,579	2,580

		31.12.2018	1,191,056	8,472	98,851	4,968
ATTICA BANK SA	Shareholder	31.12.2019	41,154	-	2,932	-
		31.12.2018	45,088	-	2,289	-
Telemedicine Technologies S.A.	Associate	31.12.2019	-	-	3,734	-
		31.12.2018	-	-	3,734	-
Athlonet S.A.	Associate	31.12.2019	-	-	4,239	4,239
		31.12.2018	-	-	4,497	4,497
Vodafone Ltd.	Related Party	31.12.2019	1,575,673	1,504,726	293,749	348,027
		31.12.2018	1,554,834	1,130,040	357,597	216,431
Hellas Online	Related Party	31.12.2019	-	-	11	117
		31.12.2018	-	-	11	116
Cablenet Ltd	Related Party	31.12.2019	10,403	25,543	3,180	-
		31.12.2018	6,120	55,200	1,020	-
Total		31.12.2019	**13,826,473**	**8,610,591**	**1,823,883**	**2,554,111**
Total		31.12.2018	**12,050,754**	**7,256,326**	**1,320,863**	**1,471,481**

- 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. Furthermore, starting from September 2017, revenues also include the agreement between Forthnet Media S.A. and Vodafone – Panafon S.A. and Wind Hellas Telecommunications S.A. for the wholesale distribution to the latter of Forthnet Media's Pay TV "Novasports" branded channels.
- The costs from Alpha Bank and National Bank of Greece relate to commissions for collection from customers. The revenues from Alpha Bank, National Bank of Greece, Piraeus Bank and Bank of Attika relates to provision of services (leased lines, etc) as well as to the recharge of the monitoring officer cost.

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

Related Party	**Relation with Forthnet**	**Year ended at**	**Sales to related parties**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	31.12.2019	1,398,066	3,404,807	797,107	1,366,335
		31.12.2018	1,355,088	3,174,406	301,868	545,263
Vodafone S.A.	Shareholder	31.12.2019	1,267,391	3,334,032	245,214	769,387
		31.12.2018	1,079,013	2,484,514	300,428	547,788
Technology and Research Foundation	Shareholder	31.12.2019	30,273	3,254	24,611	813
		31.12.2018	32,970	44,200	24,671	333
ALPHA BANK SA	Shareholder	31.12.2019	230,363	148,939	150,392	16,549
		31.12.2018	230,191	132,359	88,218	15,719
NATIONAL BANK OF GREECE SA	Shareholder	31.12.2019	69,850	90,945	146,338	36,514
		31.12.2018	191,487	102,968	137,389	124,456
PIRAEUS BANK SA	Shareholder	31.12.2019	787,649	86	150,810	2,580
		31.12.2018	1,191,554	8,472	99,554	4,968
ATTICA BANK SA	Shareholder	31.12.2019	41,154	-	2,932	-
		31.12.2018	45,088	-	2,289	-
Telemedicine Technologies S.A.	Associate	31.12.2019	-	-	3,734	-
		31.12.2018	-	-	3,734	-
Athlonet S.A.	Associate	31.12.2019	-	-	4,239	4,239
		31.12.2018	-	-	4,497	4,497
Vodafone Ltd.	Related Party	31.12.2019	1,575,673	1,504,726	293,749	348,027
		31.12.2018	1,554,834	1,130,040	357,597	216,431
Cablenet Ltd	Related Party	31.12.2019	10,403	25,543	3,180	-
		31.12.2018	6,120	55,200	1,019	2
Forth CRS S.A.	Subsidiary	31.12.2019	-	-	-	-
		31.12.2018	87,237	104,994	-	-
Forthnet Media S.A.	Subsidiary	31.12.2019	4,746,059	1,809,636	104,524,898	2,385,781
		31.12.2019 - Provision	-	-	(104,524,898)	(2,385,781)

		for expected credit losses				
		31.12.2018	5,377,512	1,317,211	100,122,918	5,292
		31.12.2018 - Provision for expected credit losses	-	-	(100,122,918)	(5,292)
NetMed S.A.	Subsidiary	31.12.2019	157,072	-	970,943	-
		31.12.2019 - Provision for expected credit losses	-	-	(970,943)	-
		31.12.2018	85,859	-	834,673	74,715
Intervision Services BV	Subsidiary	31.12.2019	57,887	-	418,935	-
		31.12.2019 - Provision for expected credit losses	-	-	(418,935)	-
		31.12.2018	82,955	-	361,051	-
Total		31.12.2019	**10,371,840**	**10,321,969**	**1,822,308**	**2,544,443**
Total		31.12.2018	**11,319,909**	**8,554,364**	**2,516,987**	**1,534,172**

- The revenues and the receivables from Forthnet Media S.A. of the current year are mainly related to the 3 play commission re-charged to the subsidiary by the Company. The receivables from Forthnet Media also include the recharges that took place in the past for the re-sale of the Super league and UEFA football rights.
- The Company's payable towards Forthnet Media S.A. is mainly related to cash collected by its stores on behalf of Forthnet Media S.A.

As at December 31, 2018, the Company assessed the impairment indicators of its receivable from the subsidiary Forthnet Media S.A. and considered that the carrying amount is not recoverable thus proceeded with the full impairment of the receivable. The impairment indicators, included among others, the adverse current economic conditions in the Greek market as well as the uncertainty with respect to the successful outcome of the process that has been initiated for the identification of a prospective investor as highlighted in Note 8; at the same time the uncertainty about the adequacy and effectiveness of the intended management actions to cover the subsidiary's working capital cash needs and their ability to complete the subsidiary's refinancing of its contractual obligations under its loan agreements were also considered in the assessment.

As at December 31, 2019 the Company proceeded to additional impairment of € 2.02 million relating to the increase of the aforementioned receivable from Forthnet Media within 2019 taking into consideration that the impairment indicators have not changed from prior year. Also, as at December 31, 2019 the Company's receivables from its sub-subsidiares Intervision Services BV and Netmed S.A were also impaired as the Company considered that the carrying amount is not recoverable and thus proceeded with the full impairment of € 0.42 million and € 0.97 million respectively.

Salaries and fees for the members the Board of Directors and the Senior executives of the Group for the years ended 2019 and 2018 are analyzed as follows:

	The Group		The Company	
	01.01-31.12.2019	**01.01 - 31.12.2018**	**01.01-31.12.2019**	**01.01 - 31.12.2018**
Salaries and fees for executive members of the BoD	321,336	400,877	321,336	400,877
Salaries and fees for non-executive members of the BoD	246,019	290,860	246,019	290,860
Salaries and fees for senior managers	2,021,215	1,970,524	1,374,165	1,096,021
Total	**2,588,570**	**2,662,260**	**1,941,519**	**1,787,758**

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and senior executives relating to retirement insurance program amounted to € 153,212 for the Group and € 112,922 for the Company respectively (December 31, 2018: € 150,784 for the Group and € 98,742 for the Company respectively).
Also, it is noted that the caption "Salaries and fees for senior executives" also includes benefits relating to leaving indemnities which amounted to € 26,840 for the Group and the Company (December 31, 2018: 98,922 and € 61,589 for the Group and the Company respectively).
The amounts owed to the members of the BOD for the Group and the Company as of December 31, 2019 are € 77,795 (December 31, 2018: €70,448).

43. COMMITMENTS AND CONTINGENCIES

Contingencies

Litigation and Claims: The Group is currently involved in a number of legal proceedings and has various claims pending arising in the ordinary course of business. A provision for open legal claims against the Company and the Group is formed when it is probable that an outflow of economic resources will be necessary in order to settle the obligation and the amount can be determined reliably. Based on currently available information, management and its legal counsel believe that the outcome of these proceedings will not have a significant effect on the Group's and Company's operating results or financial position (refer to Note 46).

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 € 1.9 million for the Group and to approximately € 1.4 million for the Company at December 31, 2019 (approximately € 1.80 million at December 31, 2018 for the Group and approximately € 1.35 million for the Company).

Commitments

Rentals: The Group has entered into contracts for the lease of buildings and offices used as points of presentation for dealers, as well as car rental agreements. The Group is implementing the new IFRS 16 "Leases" and the practical expedient of the standard relating to low-value leases, short-term leases (ie leases lasting less than or equal to 12 months, from the commencement date, where there is no right to buy the asset) and leases of more than one year with the date of termination of the contract in the current year.
Future rentals obligation for the above mentioned leases relating to the practical expedient of the new IFRS 16, as well as contracts that do not fulfil the requirements of IFRS 16 to be classified as leases, as at December 31, 2019 and 2018, are as follows:

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Within one year	1,560,933	2,739,612	531,002	1,330,601
After one year but no more than five years	187,856	610,776	187,856	598,027
Over 5 years	3,923	17,114	3,923	17,114
Total	**1,752,712**	**3,367,502**	**722,781**	**1,945,742**

It is noted that the Group has applied IFRS 16 using the cumulative catch-up effect method hence the comparative information is not restated.

Guarantees: Letters of guarantee are issued and received by the Group to and from various beneficiaries and, as at December 31, 2019 and 2018, these are analysed as follows:

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Good execution of agreements	2,335,980	244,252	2,335,980	244,252
Participation in bids	6,839	2,555,905	6,839	2,555,905
Guarantees for advance payments received	6,337,892	6,996,616	1,337,892	1,996,616
Total	**8,680,711**	**9,796,773**	**3,680,711**	**4,796,773**

Contractual Commitments from supplier contracts: The outstanding balance of the contractual commitments for the Group amounted to approximately € 100.2 million and for the Company amounted to approximately € 8.4 million at December 31, 2019 (December 31, 2018: € 83.2 million and € 7.8 million, respectively).

Included in the aforementioned amounts is the outstanding balance of the contractual commitments relating to the maintenance of international capacity telecommunication lines (OA&M charges), which have been acquired through long-term lease (IRU), and which amounted to approximately € 8.4 million at December 31, 2019 (December 31, 2018: € 7.8 million) both for the Group and the Company.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Fair Value: The carrying amounts reflected in the accompanying statements of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, trade and other accounts payable and accrued and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The Group's management believes that the fair value of floating rate loans approximate their carrying amounts reflected in the statements of financial position. The fair values of interest bearing long term borrowings of the Group and the Company that are determined based on the discounted cash flows method by using a discount rate which reflects the interest rate of the issuer at the reporting date and it also takes into account the own non-performance risk as of December 31, 2019, have considered as approximating their carrying values.

The fair values of derivative financial instruments are based on the mark-to-market valuation.

The Group categorised its financial instruments carried at fair value in three categories, defined as follows:
Level 1: Quoted market prices
Level 2: Valuation techniques (market observable)
Level 3: Valuation techniques (non-market observable)

For assets and liabilities recognized in the financial statements on a recurring basis, the Group determines if there have been transfers between hierarchy levels, through the re-evaluation and classification (based on the lower level data that are important for the measurement of fair value as a whole) at the end of each reporting period. The Group establishes policies and procedures for repeated measures (Derivatives).

At each reporting date, the Group analyzes the changes in value of liabilities subject to recalculation and revaluation in accordance with its accounting policies. For this analysis, management verifies the major inputs applied in the later assessment, confirming the data used in the valuation, through contracts and other relevant documents.

During the year ended December 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at December 31, 2019 and 2018 the Group held the following financial instruments which are not measured at fair value The following analysis of financial instruments is made merely for disclosure purposes. Also, it is estimated that the fair value of the below financial instruments approximates their carrying values as most of the financial liabilities are short-term, and as a result, the effect of discounting using the current market rate is not expected to be significant.

Fair Value - 31.12.2018	**The Group**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 33)	-	297,825,040	-	**297,825,040**
Long-term financial liability towards the Greek Government	-	5,605,120	-	**5,605,120**
Short-term financial liability towards the Greek Government	-	1,976,860	-	**1,976,860**
Long-term financial liability towards foreign creditor	-	6,795,679	-	**6,795,679**
Short-term financial liability towards foreign creditor	-	438,725	-	**438,725**
Total	**-**	**312,641,423**	**-**	**312,641,423**

Fair Value - 31.12.2018	**The Group**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 33)	-	297,977,769	-	**297,977,769**
Long-term financial liability towards the Greek Government	-	7,581,979	-	**7,581,979**
Short-term financial liability towards the Greek Government	-	1,912,105	-	**1,912,105**
Long-term financial liability towards foreign creditor	-	7,191,311	-	**7,191,311**
Short-term financial liability towards foreign creditor	-	438,725	-	**438,725**
Total	**-**	**315,101,889**	**-**	**315,101,889**

As at December 31, 2019 and 2018 the Company held the following financial instruments which are not measured at fair value (the following analysis is made merely for disclosure purposes). Also, it is estimated that the fair value of the below financial instruments approximates their carrying values as most of the financial liabilities are short-term, and as a result, the effect of discounting using the current market rate is not expected to be significant.

Fair Value - 31.12.2019	**The Company**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 33)	-	121,286,578	-	**121,286,578**
Total	**-**	**121,286,578**	**-**	**121,286,578**

Fair Value - 31.12.2018	**The Company**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 33)	-	121,439,307	-	**121,439,307**
Total	**-**	**121,439,307**	**-**	**121,439,307**

FINANCIAL RISKS

Credit Risk: Credit risk means that a counterparty may fail to meet its financial obligations towards the Group. The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at December 31, 2019, in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the accompanying statements of financial position. The Group has no significant concentrations of credit risk with any single counter party.

Foreign Currency Risk: Foreign currency risk means that the fair value of the cash flows of a financial instrument may vary due to changes in the exchange rate of foreign currency. The Group is active internationally and is exposed to variations in foreign currency exchange rate which arises mainly from the US Dollar. This type of risk arises mainly from transactions in foreign currency. The financial assets and liabilities in foreign currency translated into Euros using the exchange rate at the financial position date, for the Group and the Company is analysed as follows:

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Nominal amounts in US$				
Financial assets	289	5,410	1,474,643	2,220,603
Financial liabilities	(22,806,525)	(23,664,104)	(108,691)	(109,266)
Short term exposure	**(22,806,236)**	**(23,658,694)**	**1,365,952**	**2,111,337**

The following table presents the sensitivity of the result for the year in regards to the financial assets and financial liabilities and the Euro/ US Dollar exchange rate. It assumes a 5% (2018: 5%) change of the Euro/US Dollar exchange rate for the year ended December 31, 2019. The sensitivity analysis is based on the Group's foreign currency financial instruments held at year end.

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Sensitivity analysis on f.x rate +5%				
Result for the year	966,718	983,934	476,895	-
Sensitivity analysis on f.x rate -5%				
Result for the year	(1,068,478)	(1,087,506)	(527,094)	-

The above effect on the results, before tax, is based on the average foreign exchange rates for the related year.

The Group's foreign exchange rates exposure varies within the year depending on the volume of the transactions in foreign exchange. Although the analysis above is considered to be representative of the Group's currency risk exposure.

Interest Rate Risk: Interest rate risk means that the fair value of the future cash flows of a financial instrument may vary due to changes in market interest rates. The Group and the Company are primarily exposed to interest rate risk through its long-term borrowings. With respect to long-term borrowings, Management monitors on a constant basis the interest rate variances and evaluates the need for assuming certain positions for the hedging of such risks.
The following table demonstrates the sensitivity of the Group' profit before tax (through the impact on profits of the outstanding floating rate borrowings at the end of the year) to reasonable changes in interest rates, with all other variables held constant.

The Group	31.12.2019		31.12.2018	
	Interest Rate Variation	Effect on income	Interest Rate Variation	Effect on income
Euro	1.00%	(3,132,892)	1.00%	(3,133,009)
	-1.00%	-	-1.00%	-

The above table does not include the positive impact of interest received on deposits and any effect (positive or negative) on interest rate swaps.

Liquidity Risk: Liquidity risk means that the Group and the Company may not be able to fulfill their financial liabilities when due. The Group in its effort to manage the risks that may arise from the lack of sufficient liquidity has reached an agreement with banks in order to achieve the refinancing of existing loans.

The table below summarizes the maturity profile of the financial liabilities at December 31, 2019 and 2018 that arise from contractual agreements (amounts undiscounted):

The Group	On demand	Less than 6 months	6 to 12 months	2 to 5 years	>5 years	Total
2019						
Borrowings	-	255,038,400	-	(30,329,168)	42,825,040	267,534,272
Leases	-	8,799,311	8,799,311	15,352,000	-	32,950,622
Trade, programme and film rights and other payables (short & long term)	-	102,503,207	71,880,246	-	-	174,383,452
	-	**366,340,918**	**80,679,557**	**(14,977,167)**	**42,825,040**	**474,868,347**
2018						
Borrowings	-	255,038,400	-	-	53,997,582	309,035,982
Leases	-	7,710,195	7,710,195	30,740,778	-	46,161,168
Trade, programme and film rights and other payables (short & long term)	-	99,944,776	70,261,655	-	-	170,206,431
	-	**362,693,371**	**77,971,849**	**30,740,778**	**53,997,582**	**525,403,581**

The Company	On demand	Less than 6 months	6 to 12 months	2 to 5 years	>5 years	Total
2019						
Borrowings	-	78,499,938	-	-	42,825,040	121,324,978
Leases	-	1,123,311	1,123,311	-	-	2,246,622
Trade, programme and film rights and other payables (short & long term)	-	27,333,956	27,333,956	-	-	54,667,912
	-	**106,957,205**	**28,457,267**	**-**	**42,825,040**	**178,239,512**
2018						
Borrowings	-	78,499,938	-	-	53,997,582	132,497,520
Leases	-	110,195	110,195	36,778	-	257,168
Trade, programme and film rights and other payables (short & long term)	-	25,117,797	25,117,797	-	-	50,235,594
	-	**103,727,930**	**25,227,992**	**36,778**	**53,997,582**	**182,990,282**

Capital Management: The Group in order to maintain a strong internal calculation credit rating and healthy capital ratios , reached an agreement on the key refinancing terms for the existing loans with its lending banks. The Group monitors capital with one of the financial covenants of its bond loans: Net Debt/EBITDA. The Group includes within net indebtness, interest bearing loans and borrowings, less cash and cash equivalents. EBITDA is defined as earnings before interest taxes, depreciation and amortization (M€37.1) as well as the adjustment associated with deducting transponder costs (M€15.2).

	The Group	
	31.12.2019	**31.12.2018**
Long-term borrowings	-42,825,040	-42,977,769
Short-term borrowings	-256,112,129	-256,296,200
Total Debt	**(298,937,169)**	**(299,273,969)**
Less: Cash and cash equivalents	1,719,299	1,532,249
Total net Debt	**(297,217,870)**	**(297,741,720)**
Adjusted EBITDA	**21,200,157**	**27,146,168**
Ratio Net Debt / EBITDA	**-14**	**-11**

Adjusted EBITDA are analyzed as follows:

	The Group	
	31.12.2019	**31.12.2018**
EBITDA (after IFRS 16 positive effect)	37,079,515	42,346,168
EBITDA improvement from IFRS 16 implementation	679,359	-
EBITDA (before IFRS 16 positive effect)	**36,400,157**	**42,346,168**
Trasponders Cost (leasing):	-15,200,000	-15,200,000
Adjusted EBITDA	**21,200,157**	**27,146,168**

45. AUDIT & OTHER FEES

The audit and other fees charged by ERNST & YOUNG are analyzed as follows:

	The Group		The Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Audit services	188,000	168,000	130,000	115,000
Tax certificate services	100,000	100,000	55,000	55,000
Other assurance services	5,000	2,000	1,000	1,000
Total	**293,000**	**270,000**	**186,000**	**171,000**

46. LITIGATION – ARBITRATION

Contingent liabilities arising from open judicial claims

The contingent liabilities of the Group and the Company arising from open judicial claims are mentioned below:

A. JUDICIAL CLAIMS OF THIRD PARTIES AGAINST FORTHNET S.A.

Contingent liabilities (before any provision made) from judicial claims of third parties against Forthnet S.A. are totaling to € 6.1 mil approximately. Major cases are stated below:

i) The case of the inquiry of the Commission for the Protection of Competition of the Republic of Cyprus (C.P.C) against Forthnet Group companies (Forthnet Media Holdings S.A. and Multichoice Hellas S.A) and Cyprus Telecommunication Authority S.A. ("CYTA") for the ascertainment of reported violations of the provisions regarding the protection of the competition (articles 3 or/and 6 of the Cyprus Law no. 13(I) 2008 as well as articles 101 or/and 102 of the Treaty on the Functioning of the European Union [TFEU]), from the terms of the effective content supply agreement between the aforementioned contracting parties, was heard before the C.P.C. during the oral hearing of September 9th, 2014. During the hearing, the Company presented its pleas in law and pieces of evidence for the refutation of the objections set forth in the preliminary conclusion of C.P.C's inquiry, setting forth and extending all the points that had already notified to the C.P.C. through its written memo of August the 8th 2014. The C.P.C. notified its opinion, according which the alleged violations are ascertained.

The Company submitted its written attestation on the sanctions, further to the ascertainments of the C.P.C. CPC issued its no. 13/2015 decision, by which a fine of the amount of 2.25 million Euro was imposed only to Forthnet S.A., as a parent company of Forthnet Media S.A, for reported violations of the free competition in the Republic of Cyprus, which must be paid within nine months from the notification of the decision to the Company (June 2015). FORTHNET S.A. lodged an appeal before the Courts of Cassation of the Republic of Cyprus, aiming at the cassation of the issued decision and its hearing is expected. The outcome of the case cannot be foreseen**.**

For the above case a relative provision has been recorded in the financial statements of the Company in year 2015.

ii) Furthermore, fines of a total amount of approximately € 440 thousand have been imposed to the Company by the individual competent Independent Administrative Authorities, for several reasons. The Company has appealed before the competent administrative courts for the cancellation or otherwise modification (review) of the above imposed fines.

(iii) No. 653/11/22.05.2012 decision of EETT has been issued, regarding unwarranted charges of electricity on places of Natural Collocation, according to which OTE was obliged to liquidate invoices which have been issued against providers and related to electricity charges on that places for the period from February 2007 to August 2009, using the formula specified on that decision. In December 2012, OTE returned to the Company an amount of € 842 thousand. However, it has recourse to the competent administrative court against the decision of EETT.

The results of the above judicial claims cannot be foreseen, and thus no provision of expense has been made by the Company and the Group in its financial statements, except for case (i) for which the Company and the Group has formed an equal in amount provision of € 2.25 million.

(iv) By EETT's decisions no 838/18/14.12.2017 & 838/19/14.12.2017 regarding Audit Results concerning OTE's claims for Net Cost of Universal Service (NCUS) calculation for the years 2010 & 2011 respectively, EETT recognized that OTE's NCUS for the said years amount to €46,8m. Furthermore, by EETT's decisions no 844/04/12.03.2018 & 844/05/12.03.2018 regarding the allocation of NCUS for the years 2010 & 2011, EETT calculated the contribution of each company liable for the payment of NCUS, including our Company. Company's contribution to OTE's NCUS for the years 2010 & 2011 amounted to €1,779,561.

It is noted that the Group and the Company have recognized in its financial statements the financial liability arising from the above USO charge in the captions "Sundry expenses" and "Trade accounts payable" respectively.

Following the above mentioned charge, it is noted that it still pending from EETT the calculations and respective imposition of the NCUS for the years 2012 to 2016. Given that this cost cannot be reliably measured, no provision has been recognized in the group / company annual financial statements in this respect.

(v) Claims against the Company for regulatory obligations, cases which are pending before the civil courts with a total amount of € 283,453. For all the aforementioned cases, the Company formed in the current period provisions of a total value of € 82 thousand.

(vi) Claims against the Company by former commercial partners of the total value of € 1.3 million. For all the aforementioned cases, the Company formed in the current period provisions of a total value of € 50 thousand.

B. JUDICIAL CLAIMS OF THIRD PARTIES AGAINST FORTHNET MEDIA S.A.

The outstanding judicial claims of third parties against the subsidiary, Forthnet Media S.A. (hereinafter FM, which absorbed the companies NetMed Hellas S.A., SYNED S.A. and Multichoice Hellas S.A.) amount to € 13.1 million approximately, plus interest and legal expenses. From the abovementioned amount:

i) An amount of € 7.7 million approximately (as it stood on March 9, 2006) plus interest relating to a claim of the Greek State (Athens FAEE) relating to differences resulting from tax audits of past years (of the company Multichoice Hellas S.A.). Appeals have been lodged against the above actions, which have been heard and court judgments have been issued, which partially accept the appeals and define the taxable income for the fiscal year 1998 to € 0.34 million, while for the fiscal year 1999 to €0.18 million and the due taxes will be computed on the said amounts. The total amount, amounts along with the interests to approximately € 832 thousand out of which the company has already paid in advance the amount of € 786 thousand as a precondition for the filing of the appeals. The Greek State filed appeals before the Supreme Court, the hearing date of which had been scheduled initially for 7.12.2016 when it was adjourned for 7.6.2017. For the final amount of tax that is going to be charged according to the above (i.e. € 832 thousand), a related provision of expense has been made by the Group in its financial statements.

ii) An amount of € 2.94 million approximately concerns a lawsuit filed by an attorney at law, by which it demands payment of the above amount, for legal fees (based on the Greek Code of Legal Practice) arising from the alleged legal handling of the judicial disputes between FM (arising by the absorbed Netmed Hellas S.A.)/Multichoice Hellas S.A.) and against the TV station "ALPHA" (during the period 2002-2006). The First-Instance Court dismissed the lawsuit as unsubstantiated, but the lawyer-plaintiff lodged an appeal, which was heard. The Court of Appeals dismissed the appeal, ratifying the First-Instance Court's judgment.
The lawyer-plaintiff has filed an appeal before the Supreme Court of Cassation (AriosPagos). The scheduling of the hearing date is expected. It is pointed out that the judgment of the Court of Appeals of Athens is sufficiently and properly substantiated (both legally and on its merits) and it does not seem to have been fallen into any substantial error in law.

iii) An amount of € 1.47 million concerns a civil lawsuit of the Greek State (in its capacity as successor of the abolished ERT who has substituted ERT in its rights and obligations as a whole) against the Company by virtue of which it claims the remittance of the above amount as minimum guaranteed financial remittance for the time period November 2011 – November 2012, according to the contract executed between ERT and the Company for the screening through ERT's frequencies of two analogue pay TV channels of the Company. The hearing of the case before the Multi Member Court of First Instance is still pending. The Company challenges the legality of the claim. Additionally, the Company has filed a related civil lawsuit against the Greek State requesting the readjustment of the agreed minimum guarantee according to the appropriate measures (based on article 288 and 388 of the Greek Civil Code) the hearing of which is still pending.

iv) An action of the company "EPENDITIKI PALLINIS REAL ESTATE S.A." (formerly "EKPEDEFTIRIA O PLATON S.A."), sub-lender of the property where the defendant tenants, Forthnet Media S.A. and Netmed S.A., are seated in Kantza, Attica, claiming the payment of a total amount of € 0.4 million approximately for the property's maintenance works' expenses, to which the sub-lender shall proceed due to non-fulfillment of the relevant maintenance obligation undertaken by the defendant tenants by power of the lease agreement. The outcome of the case cannot be predicted, since it depends on the proof that the Court shall take into consideration with regards to the existence, the extent, the amount and, mainly, the nature of the damages alleged by the sub-lender, since the defendant companies have already conducted a technical report based on which several of the alleged damages are owed to constructional defects of the property.

For the above case under B (ii), the Group's Management has made a sufficient provision of expense. For other cases of Forthnet Media S.A. the Group has made provision of € 110 thousand.

For the remaining cases the Group's Management estimates that they will not have a material impact on the financial statements or/and that they will have a positive outcome for the Company and therefore has not formed a provision for expense.

Contingent assets from pending judicial cases

The Group and the Company have the following contingent assets arising from open judicial cases:

JUDICIAL CLAIMS OF FORTHNED MEDIA AGAINST THIRD PARTIES

i) A lawsuit against the Greek state (as the successor to the abrogated ERT SA) by which it is requested to be recognised that the company does not owe (from 10 November 2008 otherwise from 10 November 2010 until the end of 2011) the minimum guaranteed financial minimum guarantee of € 2.9 million per year provided in the contract between the former ERT and the company for the transmission of the two (terrestrial) analogue subscriptions of the company via the analogue terrestrial frequencies of the former ERT. In the lawsuit, the company seeks to recognize as the fee for the former ERT only the percentage of subscriptions specified in the contract based on the actual number of its terrestrial analog subscribers (instead of the minimum guarrantee). The case was discussed and a decision is pending.

ii) An amount of totally € 5.57 million plus interest and expenses, concerns a claim of the Company (former Multichoice) against ERT S.A., with a lawsuit that has filed before the Multi-Member Court of First Instance of Athens, as a consideration for the provision, by Multichoice, of services related to the distribution and transmission –through satellite- of the signal of three TV (ET1, NET, ET3) and four radio (NET, ERA 2, ERA 3 and ERA SPORT) ERT channels within the entire Greek territory during the years 2008, 2009, 2010, 2011 and 2012. With the abolition of ERT, the Greek State replaced ERT in its rights and obligations; consequently it will be the litigant party in the specific case. The hearing of the lawsuit has been held and the decision of the Multi-Member Court of First Instance rejected the Company's claim but with a false premise. The Company will appeal.

iii) The Company has filed a recourse (ΠΡ1702/26.02.2018) before the Athens Administrative Court of First Instance against the decision no. E/105 of the General Secretariat of Information of the Ministry of Digital Policy, Telecommunications and Information, issued on 29/12/2017 regarding the fee that FORTHNET MEDIA is alleged to owe for the year 2016 as per the provisions of the Law 2644/1998 and the Concession Contract that FORTHNET MEDIA has signed with the Hellenic Public. Due to the wrong calculation of the fee owed by FORTHNET MEDIA, the latter is called to pay as an annual fee for 2016 – as per the Administration's wrong calculation – the amount of €1,451,750.34 instead of the correct amount of €1,017,824.47. This means that FORTHNET MEDIA is called to pay without any legal base an additional amount of €433,925.87. The hearing of the case is pending for determination by the Athens Administrative Court of First Instance. For the aforementioned amount the Company and the Group have made a provision for expenses for an amount of €433,925.87.

iv) An application for annulment by FM before the Hellenic Council of State (Symvoulio tis Epikrateias) (reg. nr. 2128/2.8.2018) together with the relevant application for suspension against the Resolution nr. Φ 20155/25187/Δ.16.624/2.5.2018 of the Vice Minister of Social Security and Social Solidarity "Approval of the Regulation for Revenue Collection of the United Journalists' Organisation for Ancillary Insurance and Treatment (EDOEAP)" and any relevant act or omission, as for the part by which this resolution approves of the Regulation for Revenue Collection of the United Journalists' Organisation for Ancillary Insurance and Treatment (EDOEAP), from the adoption of which and onwards the collection of an employers' contribution of a percentage of 2% on the annual turnover of every entity of par. 1.A of art. 3 of the Law 248/1967, as amended by the Law 4498/2017, became obligatory. This contribution concerns the turnover of the above entities as for the part which stems from the "pure activity or exploitation activity of Mass Media for Information and Entertainment", that is, as per the challenged Resolution, of any entity exploiting or operating an informative or entertaining mass media (television, radio, magazine and newspaper, internet or any other way of business conduct by the entity) as well as on the turnover of any similar activity conducted by such entity that has another main or secondary activity, only for the part of the activity as informative or entertaining media. The reasons for annulment are mainly based on the allegation that this specific provision is anti-constitutional. For the validity and legality of this specific provision, the Hellenic Council of State has not ruled yet, despite the fact that various market participants who suffer from its application have turned against it. The outcome of the case cannot be predicted.

It is noted that the Group has recognized in its annual financial statements the total financial liability arising from the above mentioned employer contribution.

JUDICIAL CLAIMS OF FORTHNED S.A AGAINST THIRD PARTIES

There are pending lawsuits of the Company against OTE SA. of a total value of € 0.7 million for which the Company has been vindicated in the first instance and which relate to OTE charges for unauthorized transportation fees of OTE technical workshops for the repair of local loop. Appeals have been lodged against first instance decisions.

47. SUBSEQUENT EVENTS

With the recent and rapid development of the Coronavirus disease (COVID-19) outbreak the world economy entered a period of unprecedented crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments, including the Greek, have implemented restrictions on travelling as well as strict quarantine measures.

The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2019.

The assessment of the impact of the above event on the financial position of the Group and the Company as well as the actions taken by the management are mentioned in the report of the Board of Directors that accompanies the current annual financial statements of 31 December 2019.

The management of the Group and the Company will continue to closely monitor the situation and to evaluate / seek additional measures in case the period of the disorder is extended.

On April 24th, 2020 Nomura International plc. notified the Company of the commencement of exclusive negotiations with United Group on the proposal that the latter has submitted to the banks NBG, Alpha, Piraeus and Attica Bank regarding their exposures in the Company and its subsidiary Forthnet Media S.A., aiming at the execution of the contractual documents for the transaction. It is clarified that the Company is not aware of the content and the terms of the proposal, as well as that the negotiations process lies within the discretion of the banks, without any involvement of the Company in it.

With the exception of the above mentioned events, there are no other subsequent events of 31 December 2019 that may significantly affect the financial position of the Group and the Company.

Iraklio, 30/4/2020

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

WEBSITE OF UPLOADED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

The annual separate and consolidated financial statements of the Company, the Auditor's report and the Reports of management are registered on the internet in the address www.forthnet.gr

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