Forthnet

Interim Financial Report

For the period
1 January 2020 to 30 June 2020

According to article 5 of the Law 3556/2007

Forthnet S.A.
Registration Number S.A. 34461/06/B/95/94
G.E.M.I. 77127927000
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Contents to the Interim Financial Report

STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

The following statements, which are effected in accordance with article 5 par. 2 of the L. 3556/2007, as applicable, are given by the following Members of the Board of Directors of the Company:

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

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

(a) the interim condensed financial statements of the Company and the Group of the societe anonyme company under the name “Hellenic Company of Telecommunications and Telematic Applications Societe Anonyme” and trade title “Forthnet S.A.” for the period from January 1, 2020 to June 30, 2020, which were compiled according to the applicable International Financial Reporting Standards (IAS 34 “Interim Financial Reporting”), provide a true and fair view of the assets and the liabilities, the equity and the results of the period of the Company, as well as the companies’ which are included in the consolidation, according to that stated in paragraphs 3 to 5 of article 5 of the L.3556/2007 and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

(b) the six-month Report of the Board of Directors of the Company provide a true and fair view the evolution, the achievements and the financial position of the Company, as well as the companies’ which are included in the consolidation, including the description of the main risks and uncertainties they face and relevant information that is required according to paragraph 6 of article 5 of the L. 3556/2007, and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

Iraklion, September 29, 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 INTERIM CONDENSED FINANCIAL STATEMENTS

The report of the Board of Directors of the Hellenic Company for Telecommunications and Telematic Applications S.A. (hereafter refer to as "Forthnet" or the "Company") has been prepared in accordance with the article 5, law 3556/2007 and refers to the Interim Condensed Financial Statements (Consolidated and separate) for the period January 1, 2020 to June 30, 2020.

The Board of Directors report includes an analysis of the Company's financial performance for the period from January 01, 2020 to June 30, 2020, the significant events which took place in the first half of 2020, a presentation of the principal risks and uncertainties for the second half of 2020, and the Group's and the Company's significant transactions with related parties.

1. Performance and Key Financial Highlights

- Group EBITDA for the first half of 2020 was at 18.0 million Euros, at the level of the prior year's respective period (18.1 million Euros), despite the 6.2% reduction of revenues compared to the first half of 2019 (125.2 million Euros for the first half of 2020 versus 133.5 million Euros for the first half of 2019), which was mainly due to the negative macroeconomic environment caused by the COVID-19 pandemic.
- Nova has 873 thousand retail subscriptions, serving 650 thousand unique customers, 550 thousand broadband subscribers and 456 thousand retail and wholesale Pay TV subscribers in Greece and Cyprus. New generation networks (NGA) subscribers increased by + 32%, compared to the first half of 2019.
- Subsequent to interim results period end, the transfer of Bond Loans and part of the Convertible Bond from the lending Banks to United Group, as provided in their May 29, 2020 agreement, has been completed. In addition, on September 9, 2020, United Group has applied to convert into shares 85,766,667 Convertible Bonds of the Company.

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

" In the first half of 2020, despite the COVID-19 pandemic crisis, we managed to keep EBITDA at the same levels as in the first half of 2019, implementing extensive cost reduction measures. We have coped successfully with the COVID-19 pandemic crisis by protecting the health of our employees and our partners and ensuring the uninterrupted provision of our services to our subscribers.

During these challenging times, Forthnet's top management preserved the Company's strategic value for the benefit of all stakeholders and took the initiative to promote this strategic value in the international investment community, by catalytically contributing to the successful completion of the creditor Banks' initiative of finding a strategic investor.

United Group's entry to the Company is an event of strategic importance not only for Forthnet, but for the whole Greek telecom and Pay TV market."

Bundling Services/3Play

At the end of the first half of 2020, Forthnet served 222.8K households with Nova 3play/bundled services. The share of Nova 3Play subscriptions in total Households stood at 34.3%.

	30.06.2020	30.06.2019	Δ
Households with 3play/Bundled Services	222,783	243,464	-8.5%
Households with 3play/Bundled Services as % of total	34.26%	37.12%	-2.9 p.u.

Telecommunication Services

At the end of the first half of 2020 our LLU & NGA customers stood at 539K which include NGA subscriptions of 92K.

	30.06.2020	30.06.2019	Δ
Total Subscriptions	**873,080**	**899,293**	**-2.9%**
Unique customers	650,297	655,829	-0.8%
Broadband subscribers[1]	549,708	548,485	+0.2%
Active subscribers LLU & NGA	539,383	536,935	+0.5%
of which subscriptions NGA	92,433	70,078	+32.0%
Total Pay TV (Retail & Wholesale)	456,453	459,092	-0.6%

Pay TV Services

At the end of the first half of 2020, our Retail and Wholesale Pay TV subscriber base stood at 323.4K and 133.1K respectively.

	30.06.2020	30.06.2019	Δ
Retail Pay TV customers in Greece & Cyprus	323,372	350,808	-7.8%
Wholesale Pay TV customers in Greece & Cyprus[2]	133,081	108,284	+22.9%

Financial Highlights for the first half of 2020

Consolidated revenues for the first half of 2020 amounted to € 125.2 million and are decreased compared to the first half of 2019 by 6.2% mainly due to the negative impact of COVID-19 on the PayTV business sales and advertising sales as well as due to the decrease in the retail pay-tv subscriber base.

Revenue analysis (€ '000)	6M 2020	6M 2019	Δ
Total Retail	**86,513**	**91,560**	**-5.5%**
Telco Retail	51,514	52,295	-1.5%
Pay TV Retail	34,999	39,265	-10.9%
Total Business	**27,450**	**29,599**	**-7.3%**
Telco Business	16,920	16,948	-0.2%
Pay TV Business	10,531	12,651	-16.8%
Advertising	4,720	5,045	-6.5%
Other revenues	6,527	7,298	-10.6%
Total revenues	**125,210**	**133,502**	**-6.2%**

Group EBITDA for the first half of 2020 reached €18.0 million and is reduced only by 0.5% in relation to first half of 2019 (€18.1 million), despite the abovementioned decrease in revenues.

[1] Active and under activation subscribers

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

EBITDA analysis (€ '000)	**6M 2020**	**6M 2019**	**Δ**
Revenues including other income	125,210	133,502	-6.2%
EBITDA	18,010	18,097	-0.5%
EBITDA margin	14.38%	13.56%	+0.8 p.u.

It is noted that the EBITDA ratio (the ratio of operating profits before interest, tax, depreciation / amortization and impairment charges), a measure not provided by the IFRS, was calculated as follows:

	The Group	
	01.01-30.6.2020	**01.01-30.6.2019**
Revenues	124,232,281	132,476,428
Other income	978,149	1,025,599
Operating expenses before depreciation	(106,745,601)	(114,947,827)
Less grants amortization	(454,444)	(457,559)
EBITDA	**18,010,386**	**18,096,641**

It is noted that "Operating Expenses before depreciation" are analyzed as follows:

	The Group	
	01.01-30.6.2020	**01.01-30.6.2019**
Telecommunications costs	(38,276,207)	(38,170,379)
Royalties and licenses	(29,238,290)	(32,769,529)
Cost of sales of inventory and consumables	(774,690)	(999,017)
Advertising and promotion costs	(2,263,884)	(1,285,505)
Payroll and related costs	(16,162,637)	(17,129,540)
Sundry expenses (Note 9)	(20,029,893)	(24,593,857)
Operating expenses before depreciation	**(106,745,601)**	**(114,947,827)**

Total Bank debt as at June 30, 2020 remained at the levels of December 31, 2019 and amounted to € 256.1 million. The aforementioned amount excludes the convertible bond loan.

2. Significant events for the 1st half of 2020

Content Rights
During the first half of 2020:

Notwithstanding the adverse conditions that Nova had to confront, due to the COVID-19 pandemic, it succeeded in providing its subscribers with a broad range of content choices, enhancing mostly the cinema and entertainment program while in parallel packaging special sport zones exploiting fully its rich sports library.

With regards to the cinema and entertainment content:

- New Year kicked off with Awards! Along with the **“GGA” "SAG" & "BAFTA"** Awards, which for another year were exclusively aired on NOVA, the first month of the year began with a special tribute to the 66 award-winning films of Nova.
- Nova enriched its content with many special tributes to Joaquin Phoenix for the awarded movie “Joker”, Tom Hanks, Billy Wilder, Christian Bale, Brad Pitt, Pedro Almadovar, to Valentine’s Day Blend, to A Woman’s Word, to Mother’s Day, and finally to Quentin Tarantino, on the occasion of the premiere of the awarded movie ONCE UPON A TIME IN HOLLYWOOD.
- **"It's Bond Time!"** a special tribute to **James Bond** with the 14 most known & loved movies of 007!
- Easter with **Easter Kids Fantasy,** with more than 50 films & 200 episodes of series and movies from Nova's favorite children's channels, such as Nickelodeon, Nick Jr., Disney Channel, Disney XD & Boomerang.
- NOVA extended its multi-year agreement with **Warner Bros**, one of the big 6 of Hollywood and concluded agreements with **STUDIO CANAL,** as well as with **All3Media**, for First Run TV Series and box sets.
- Enriched the Nova On Demand & Nova Go services with box sets of successful series like: **Deadwood & Mad Men**. In addition, Nova brought the well-known **«Zouzounia»** on Nova On Demand for our youngest subscribers to enjoy!
- Enriched its content with many Nova branded pop up channels, like the series channel **NovacinemaextraHD: A Series Each Day**, for non-stop binge-watching with daily series marathons, the channel **NovacinemaextraHD: Earth Day Festival**, on the occasion of the 50th anniversary of Planet Earth, the thematic channel **Novacinemaextra HD: Heist Case**, with the smartest, funniest and most dangerous robberies, and finally the channel **NovaSummer Kids** for our young friends, with two well-known movies, dubbed in Greek, every day.
- Nova enriched its bouquet with the **new music channel NR1 HD** with the biggest international and Greek Hits of the most famous artists, as well as, the **Food Network HD channel**, which is dedicated to the art of cooking and pastry making.
- In addition, Nova acquired the Greek channel **Mega Channel**.
- Extended its multi-year agreement with **DISNEY CHANNELS, FOX CHANNELS, NAT GEO CHANNELS.**
- Extended its multi-year agreement with **E! Entertainment, Mad Greekz**, as well as, the **Adult channels.**

With respect to the premium sports content:

- Nova continued to hold the exclusive media rights of the vast majority of the most commercially attractive football clubs (OLYMPIAKOS, PANATHINAIKOS, AEK, ARIS, AEL, PANIONIOS, ASTERAS TRIPOLIS, OFI, VOLOS) for the broadcasting of their home matches in the context of the Greek Super League 1 Championship, as well as the rights for 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) and of the “Eurocup” competition, which is considered as the second most important basketball competition in Europe and where the Greek team of Promitheus Patras also participates.
- Furthermore, Nova maintained the exclusive broadcasting rights of top sports properties, such as the famous Italian football Championship (Serie A), the renowned French Football Championship (Ligue 1), the most iconic tennis tournament of The Wimbledon Championships, the German National Football Cup ("DFB-Pokal") and the Spanish Super Cup and moreover it kept on transmitting, on an exclusive basis, a multitude of other interesting properties, like the Dutch Football Championship (Eredivisie), the top international summer football tournament “International Champions Cup” , two of the major golf tournaments (PGA of America Championship , R & A Open Championships) etc.
- Due to the COVID-19 pandemic, which provoked an almost total hiatus of all sports competitions since March 2020 and until, at least, June 2020, Nova, following the example of all other TV operators, which provide sports content globally, adjusted its programming to the new circumstances, by including in its TV schedule new

interesting archive zones, by acquiring and broadcasting several sports documentaries, while at the same time it developed and broadcast for the first time a novel e-sports competition relating to the e-Playoff of the Greek Super League 1 Championship.

Network Development and Investments
During the first half of 2020, Forthnet:

- Upgraded its international link capacity, reaching a total of 250 Gbps. The capacity for Content Delivery Network (CDN) services in Athens and Thessaloniki (Google, Akamai, Facebook, Netflix) upgraded to 382Gbps.
- Upgraded the capacity of the national DWDM transmission network, that support all broadband services, reaching a total capacity of 1,69Tbps. Furthermore, a new WDM node installed and enabled in Athens area (Kallithea).
- Installed new and upgraded the existing network infrastructure in order to fulfill the particularly increased demand of its subscribers during the reporting period. In this framework, the Company enabled a new 100G interconnection between Athens-Thessaloniki sites, core network nodes in Athens were upgraded by 4x100G and the interconnections of core nodes with the backbone network in Thessaloniki were upgraded to 100G.
- Expanded the provision of VPU/VDSL service by 10 additional Local exchanges by implementing the appropriate interconnections.
- Upgraded the optical network infrastructure in Athens Lamda Helix datacenter to expand the available capacity and to support the provision of more reliable high-speed services to enterprise customers.
- Redesigned and upgraded the networking infrastructure of voice services in order to support needs emerged by the mobile services.
- Proceeded to redesign and upgrade by 50G of IP access nodes serving enterprise customers, addressing the cost optimization and the improvement of services availability.
- Upgraded the capacity of MPLS network in Thessaloniki to enable geo-redundancy and proper distribution of resources for enterprise customers services.
- Upgraded the power supply in central Datacenter in Thessaloniki by the construction and activation of a new private substation of medium voltage reduction 800kW.

SYZEFXIS II
During the first half of 2020 Forthnet participated in the tender of the Greek State for SYZEFXIS II. SYZEFXIS II is a program for the provision of telecommunications services to the State, and which is a continuation of SYZEFXIS I.
SYZEFXIS II includes the interconnection services of approximately 30 thousand locations (services, organizations) of the Greek State divided into eight geographical areas throughout the territory, for a period of three years.
Forthnet participated in the tender for the project of fixed telephony services and won in two sections, in Attica and Thessaloniki. It is estimated that the execution of these projects of SYZEFXIS II will have a positive impact on the company's revenue – approximately 10 million euros per year for 3 years starting from 2021– as well as on the company's profitability.

Innovation and New Services
During the first half of 2020, Forthnet:

- Progressed with the development and integration projects to achieve the delivery of network and functions that will support the mobile services provision.
- Initiated new interconnections projects with other Telecommunications providers for Mobile Telephony, Data and Short messaging service both in national and international (roaming) level.
- Selected new terminal equipment for business customers services, to cover higher speeds and optimize the relevant costs. At the same time, the new equipment has integrated modern functions (Security, SD-WAN) facilitating future development and availability of specialized modern services.
- 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 implementation of Safe-DEED project continues in 2020. 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 continues in 2020. 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.

- The TRUSTS project commenced in 2020. The project 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.
- Finally award of the COPA EUROPE project was announced. The project aim at development methodologies for the creation of innovative athletic content based on legacy and newly created content and using artificial intelligence technologies. The project will commence on the forth quarter of 2020.

3. Prospects for the 2nd half of 2020

For the second half of 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 second half of 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 additional 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 (Over the Top); Nova GO and Nova On Demand are being continuously updated to allow for new viewing capabilities, more channels broadcast live and hundreds of titles available on demand via mobile devices.

As regards Services for Business Customers & SMEs, in 2020 emphasis will remain on the further development of the SME market and Advertising. At the same time, efforts to promote bundled services focusing on the particular needs of small and medium-sized enterprises will intensify. Also, company will focus on public sector market, especially for the development for the segments of SYZEFXIS II project that company was awarded. A project which upgrades the Public Sector telecom infrastructure and leads to very significant cost savings.

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

- The completion of all projects related to the launch of Mobile services.

- The upgrade of network infrastructure supporting xDSL/FTTx services (BRAS) to nx100G capacities in order to fulfill the increased demand.
- The expansion of coverage for VDSL and other NGA services (Vectoring & FTTH) provision.
- The redesign and upgrade of network Security in both the Datacenter for enterprise customers (ASE) and the Datacenter hosting the company's IT infrastructure & services.
- The redesign and upgrade of regional network nodes in order to increase availability and optimize cost related to the provision of services to enterprise customers.
- The detailed design and the launch of development for the segments of SYZEFXIS II project that company was awarded.
- The development and provision of the new Disaster Recovery as a Service, targeting enterprise customers with increased needs for uninterrupted operation of their systems.
- The modernization of the infrastructure supporting CloudPBX & Unified communications services.
- The modernization of fire protection system in Thessaloniki's major Datacenter.

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 the 2nd half of 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 June 30, 2020 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. It is noted however that the below mentioned developments with regards to the Nomura process, are expected to have a positive impact in the capital structure of the Group and the Company.

  In the view of the Group's Management, based on its current assessment of the circumstances and subject to the successful completion – if such a completion is required in the context of the below mentioned developments related to the Nomura process – 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 ("Existing OBLs", see also Note 6 of current condensed interim financial statements, "Going concern"). the cash needs for the 12 months following the signing of these interim financial statements will amount to approximately EUR 50.6 million (27.4 million relating to financing and 23.2 million to working capital). Management will aim at covering this amount by further reducing the Group's operating costs, extending the repayment terms of its suppliers, taking out a new short-term loan and, finally, raising new capital from its Shareholders.

  As to the last option, it is noted that Nomura International plc., was authorized by Alpha Bank, National Bank of Greece, Attica Bank and Piraeus Bank, in November 2017 to administer a process for inviting potential investors to submit offers with regards to the Banks' exposures (including shares and convertible bonds) to the Company and its subsidiaries. As announced by the Company on 29.05.2020, the Nomura process has concluded with a transaction between the lending Banks ("Sellers") and United Group (the "Purchaser"). Based on the aforementioned announcement, the content of which was based on the disclosures from the Sellers and the Purchases to the Company, the Sellers have agreed to sell, and the Purchaser has agreed to purchase, (i) all of the existing loan receivables owned by the Sellers in the Company (and the Company's main operating subsidiary, Forthnet Media S.A.) amounting approximately to EUR 281 million (the "Loan Receivables"), (ii) all of the convertible bonds owned by the Sellers with a total outstanding principal amount of approximately EUR 52 million (the "Convertible Bonds") and (iii) all of the ordinary shares in the Company owned by the Sellers (the "Sale Shares") (collectively, the "Transaction"). The Transaction would be subject to customary regulatory approvals and standard conditions precedent (the "Conditions").

Following the satisfaction of the Conditions, the Purchaser would, initially, acquire up to approximately 50% of the principal amount of the Convertible Bonds and all the Loan Receivables (collectively, the "Debt Acquisition Transaction"), which would be followed at a later date by the acquisition of the remaining Convertible Bonds and the Sale Shares. The Purchaser had further committed to provide working capital facility to the Company, subject to satisfactory documentation and other customary conditions, to cover the working capital needs of the Company until the completion of the Transaction.
The Purchaser has further informed the Company that: *«Following the completion of the Transaction (or, as appropriate, the Debt Acquisition Transaction), the Purchaser will assess all of the available alternatives for the recapitalization and substantial deleveraging of the Company through a comprehensive debt to equity conversion and the injection of new capital. These actions, if completed, are expected to eliminate the entire debt burden of the Company and provide to it significant additional capital resources that will ensure its financial stability, further profitable growth and ability to implement the Purchaser's strategic plan for the Company».*

Based on the above, these developments are expected to significantly improve the financial position of Forthnet Group (the parent Company and its subsidiaries) as, if the transaction is completed, is it is expected to have positive impact on its capital structure.

Following the above the Company announced on 17.08.2020 that, according to the Press Release posted to the European Commission's official website on 14.8.2020, the Commission approved, under the EU Merger Regulation, the proposed acquisition of the Company by United Group B.V.

Then, as announced by the Company on 02.09.2020 and 08.09.2020, the Company was informed by the Purchaser that the relevant regulatory conditions have been satisfied and that the Parties had proceeded to the closing of the Debt Acquisition Transaction on September 8th, 2020 as it has previously been planned and announced.

Following the above and based on the announcement made by the Company on 10.09.2020, the Purchaser – and, already bondholder - Newco United Group Hellas SARL, during the ongoing (17th) conversion period which expires on 30.09.2020, legally submitted on 09.09.2020 an irrevocable request for the conversion of 85,766,667 convertible bonds into Company shares. Following the exercise of the conversion right for 85,766,667 convertible bonds by the above bondholder, the Company's share capital increases by €25,730,000.10 with the issuance of 85,766,667 new ordinary registered shares, of a nominal value of €0.30 each (hereinafter the «New Shares »), according to the terms of the CBL program. The Company's Board of Directors, according to the Prospectus, by virtue of a respective decision shall certify the above share capital increase and shall proceed to any action necessary for the listing of the New Shares for trading in the ATHEX's Segment "Under Surveillance" and the delivery to the beneficiary according to the provisions of the ATHEX Regulation and the respective implementation decisions. Upon completion of the above procedures, the Company's share capital shall amount to seventy-seven million five hundred nine thousand eight hundred seventy euro and twenty cents (€77,509,870.20) and shall be divided into two hundred fifty-eight million three hundred sixty-six thousand two hundred thirty-four (258,366,234) ordinary registered shares, of a nominal value of €0.30 each.

Based on the above announcements, it is estimated that in the forthcoming period it is likely that the actions of the Purchaser will take place in the context of its (disclosed and already announced) commitment to "*assess all of the available alternatives for the recapitalization and substantial deleveraging of the Company through a comprehensive debt to equity conversion and the injection of new capital. These actions, if completed, are expected to eliminate the entire debt burden of the Company and provide to it significant additional capital* *resources that will ensure its financial stability, further profitable growth and ability to implement the Purchaser's strategic plan for the Company".*

It is noted that both as of June 30, 2020 and as of 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 Ordinary General Meeting of the Company's Shareholders; which was initially legally convened for June 26, 2020, but was concluded on July 15, 2020, following a postponement requested by the shareholder GO Plc., according to the provisions of article 141 par. 5 of law 4548/2018; approved the following measures, in conformity with the provisions of article 119 of law 4548/2018:

- Following the sale of the subsidiary ForthCRS in September 2018, the further utilization of the Group's assets.
- The investigation of the possibilities for further organizational restructuring of the Group, its corporate structure as well as the cost model of the Company, with the main purpose of further limiting and streamlining the operating and administrative expenses.
- The execution of actions to improve the operational results of the Company as indicative:
    - The further development and commercial promotion of new services and especially of the OTT services following the launch of the Novaflix service.
    - The further improvement of the financial terms of agreements with suppliers. Already in 2019, the Group companies reached agreements with important suppliers both for the settlement of existing liabilities as well as for the expansion / renewal of cooperation on more favorable terms than in the past.
    - The immediate design and offer of new combined and competitive products in order to retain existing customers and strengthen the Company's customer base.

In the context of the same decision of the Ordinary General Meeting of Shareholders, the following comment was also added: "*In addition to the above measures, the Management will consider in the coming months the further capital increase of the Company by increasing its share capital, taking into account the progress and completion of the Transaction and other parameters related to market conditions and the Company. In the same context, the Board of Directors will examine the measure of reduction of the share capital of the Company in order to offset a corresponding amount for the amortization of losses of the Company, in accordance with article 29 of Law 4548/2018.* "

- 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 a possible refinancing (if that is required).

As stated in Note 6 of these interim condensed financial statements ("Going concern"), the Group reached as an initial step 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 did not reach a conclusion, as the creditor banks (the "Sellers") through the Nomura process, and as announced by the Company on 29.05.2020, concluded to a transaction with United Group (the "Purchaser"). This transaction was subject to the prior receipt of the necessary regulatory approvals and the usual terms of completion, which were received by August 2020. As a result, the first stage of the Transaction, ie the Debt Acquisition Transaction (which, according to the announcements, includes the transfer of up to 50% of the Convertible Bonds and all the Ordinary Bond Loan Receivables) by the Purchaser was completed on 08.09.2020. Potential actions by the Purchaser are expected in the forthcoming period which, according to its announced commitments, are expected to lead to the capital restructuring and refinancing of the Company. However, the Buyer, as a new lender of the Company, is entitled to demand the refinancing of the Existing OBLs, and any unsuccessful refinancing attempt will lead to significant uncertainty as to the possibility of the Company and the Group to continue as a going concern. Furthermore, the Buyer is entitled to terminate the Existing OBLs and demand their immediate payment. In this case as well, the Group and the Company will not be able to repay the Existing OBLs, resulting in significant uncertainty as to their going concern assumption.

- 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. In case of breach of contractual terms of the CBL by the Company, this could have a material adverse effect on the activities, the financial situation and the prospects of the Company and 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, or de facto inability to transmit the acquired content (eg due to cancellation or suspension of sporting events due to COVID-19), 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 at the end of the first quarter of the year, put the country in a crisis mode, and the Greek 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

During the first half of the year Forthnet Group proceeded in analyzing the effect on its financial position and performance based on possible scenarios which differed in the degree of COVID-19's impact on its operation, and prepared for any eventuality.

The related events, the actions taken by the Forthnet Group and an 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 communication material based on alternative scenarios
- 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. At the same time detailed directives were issued and are still be issued regulating employment and all areas of economic and social activity.

During the lockdown- which was phased out in mid-May 2020 and completed in June 2020 - supermarkets, pharmacies, car shops, telecommunications services stores (including NOVA stores) and offer services vital to the public remained open. These measures led to effective control of the spread of the virus, an indicator in which Greece performed significantly better than other European countries. At the end of the summer there is a global resurgence of cases and therefore there is a possibility that some of the restrictions will be repeated. The company has prepared for any such eventuality.

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 (other taxes and social security contributions) 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 the challenging period of the lockdown 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 its 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 offered and still 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 served during those challenging times of the lockdown:

- 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 had during the first half of the year (and especially during the lockdown) a direct impact in Forthnet Group in the following areas:

- Sports content: The suspension of championships and games from mid-March 2020 and till the actual restart of most of them, made live sports content unavailable
- Corporate/Small and Medium enterprises (SMEs) closures: The mandatory closure of many businesses affected mainly the SME segment, most importantly bars/cafes and hotels
- General population curfew: The restrictions in peoples' circulation affected bill payments made through customers' physical presence in banks and Nova shops
- Fixed network : There was 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, which lasted during the lockdown period, prevented the sales of products and services while there was higher demand for NGA broadband offerings.
- Customer Care : The transition to remote operation in combination with enhanced demands due to the situation made it more difficult to keep customer service to the highest levels.

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

Taking into account the financial results and performance of the 1st half of 2020 and also the actions already taken to contain the COVID-19 impact, Group management estimates, based on the data available so far, that COVID-19 crisis will not materially affect the operating results (EBITDA) of the year 2020.

More specifically, and as far as the financial performance of the first half is concerned, COVID-19 had a profound impact on revenues streams like advertising and SME businesse (Bars/Café, etc) as those revenue streams were heavily impacted by the suspension of live sports events while the lockdown also affected tourism related revenue streams. However, the measures taken by Group management have been effective in reducing the abovementioned impact. Those measures included:

- 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. In relation to the first half of 2020, those two subsidiaries mainly benefited from the postponement of payments of taxes and social security contributions.

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

For the second half of 2020, the Forthnet Group estimates that the COVID-19 crisis will continue to affect its business operations. Nevertheless, the Group estimates, based on the data available regarding the evolution of the pandemic up to the date of issuance of this report and given the actions already taken by the Group as well as its operational readiness, that this impact will be limited. It is noted that the above assessment is made with the assumption that in the second half of this year there will be no general lockdown again and also that the sporting events will run normally.

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 but also in their total operations.

6. Related Parties

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

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

Related Party	**Relation with the Group**	**Period ended at**	**Sales to related parties**	**Purchases from related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2020	3,078,408	1,596,402
		30.06.2019	2,287,441	1,240,411
Vodafone S.A.	Shareholder	30.06.2020	3,448,044	1,653,711
		30.06.2019	2,432,084	1,237,315
Technology and Research Foundation	Shareholder	30.06.2020	10,054	1,555
		30.06.2019	16,262	1,627
ALPHA BANK SA	Shareholder	30.06.2020	54,356	70,108
		30.06.2019	60,977	61,037
NATIONAL BANK OF GREECE SA	Shareholder	30.06.2020	6,464	83,169
		30.06.2019	8,830	73,966
PIRAEUS BANK SA	Shareholder	30.06.2020	342,865	-
		30.06.2019	354,299	71
ATTICA BANK SA	Shareholder	30.06.2020	19,533	-
		30.06.2019	19,552	-
Vodafone Ltd.	Related Party	30.06.2020	651,031	823,665
		30.06.2019	1,017,539	748,978
Cablenet Ltd	Related Party	30.06.2020	4,680	12,500
		30.06.2019	5,723	16,543
Total 30.06.2020			**7,615,436**	**4,241,111**
Total 30.06.2019			**6,202,707**	**3,379,949**

- 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. channels. Furthermore, since July 2019 the purchases from Vodafone S.A. also include charges related to the preparation of the entity for the MVNO project.

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

Related Party	**Relation with the Group**	**Period / Year ended at**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2020	167,395	405,409
		31.12.2019	797,107	1,370,073
Vodafone S.A.	Shareholder	30.06.2020	209,327	518,741
		31.12.2019	245,214	769,387
Technology and Research Foundation	Shareholder	30.06.2020	20,494	-
		31.12.2019	24,611	813
Lumiere Productions A.E.	Shareholder	30.06.2020	-	-
		31.12.2019	-	6,378

ALPHA BANK SA	Shareholder	30.06.2020	149,296	-
		31.12.2019	150,392	15,985
NATIONAL BANK OF GREECE SA	Shareholder	30.06.2020	19,382	15
		31.12.2019	148,133	36,513
PIRAEUS BANK SA	Shareholder	30.06.2020	264,577	2,580
		31.12.2019	150,579	2,580
ATTICA BANK SA	Shareholder	30.06.2020	685	-
		31.12.2019	2,932	-
Vodafone Ltd.	Related Party	30.06.2020	243,473	172,611
		31.12.2019	293,749	348,027
Cablenet Ltd	Related Party	30.06.2020	1,560	1,900
		31.12.2019	3,180	-
Hellas Online	Related Party	30.06.2020	-	-
		31.12.2019	12	116
Telemedicine Technologies S.A.	Associate	30.06.2020	3,734	-
		31.12.2019	3,734	-
Athlonet A.E.	Associate	30.06.2020	4,239	4,239
		31.12.2019	4,239	4,239
Total 30.06.2020			**1,084,162**	**1,105,494**
Total 30.06.2019			**1,823,883**	**2,554,111**

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

Related Party	**Relation with the Company**	**Period ended at**	**Sales to related parties**	**Purchases from related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2020	463,598	1,574,986
		30.06.2019	449,067	1,213,766
Vodafone S.A.	Shareholder	30.06.2020	703,383	1,652,809
		30.06.2019	549,663	1,235,916
Technology and Research Foundation	Shareholder	30.06.2020	10,054	1,555
		30.06.2019	16,262	1,627
ALPHA BANK SA	Shareholder	30.06.2020	54,356	70,108
		30.06.2019	60,977	61,037
NATIONAL BANK OF GREECE SA	Shareholder	30.06.2020	6,341	60,608
		30.06.2019	7,692	49,286
PIRAEUS BANK SA	Shareholder	30.06.2020	342,645	-
		30.06.2019	353,955	71
ATTICA BANK SA	Shareholder	30.06.2020	19,533	-
		30.06.2019	19,538	-
Vodafone Ltd.	Related Party	30.06.2020	651,031	823,665
		30.06.2019	1,017,539	748,978
Cablenet Ltd	Related Party	30.06.2020	4,680	12,500
		30.06.2019	5,723	16,543
Forthnet Media S.A.	Subsidiary	30.06.2020	2,089,963	522,228
		30.06.2019	2,332,631	758,852
NetMed S.A.	Subsidiary	30.06.2020	76,491	-
		30.06.2019	71,743	1
Intervision Services BV	Subsidiary	30.06.2020	335	-
		30.06.2019	88,248	-
Total 30.06.2020			**4,422,409**	**4,718,459**
Total 30.06.2019			**4,973,038**	**4,086,077**

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

Related Party	**Relation with the Company**	**Period / Year ended at**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2020	167,395	401,696
		31.12.2019	797,107	1,366,335
Vodafone S.A.	Shareholder	30.06.2020	209,296	518,741
		31.12.2019	245,214	769,387
Technology and Research Foundation	Shareholder	30.06.2020	20,494	-
		31.12.2019	24,611	813
ALPHA BANK SA	Shareholder	30.06.2020	149,421	439
		31.12.2019	150,392	16,549
NATIONAL BANK OF GREECE SA	Shareholder	30.06.2020	17,435	15
		31.12.2019	146,338	36,514
PIRAEUS BANK SA	Shareholder	30.06.2020	264,577	2,580
		31.12.2019	150,810	2,580
ATTICA BANK SA	Shareholder	30.06.2020	685	-
		31.12.2019	2,932	-
Vodafone Ltd.	Related Party	30.06.2020	243,473	172,611
		31.12.2019	293,749	348,027
Cablenet Ltd	Related Party	30.06.2020	1,560	1,900
		31.12.2019	3,180	-
Telemedicine Technologies S.A.	Associate	30.06.2020	3,734	-
		31.12.2019	3,734	-
Άθλονετ Α.Ε.	Associate	30.06.2020	4,239	4,239
		31.12.2019	4,239	4,239
Forthnet Media S.A.	Subsidiary	30.06.2020	94,525,708	3,033,384
		30.06.2020 Provision for impairment	(94,525,708)	(3,033,384)
		31.12.2019	104,524,898	2,385,781
		31.12.2019 Provision for impairment	(104,524,898)	(2,385,781)
NetMed S.A.	Subsidiary	30.06.2020	1,065,791	-
		30.06.2020 Provision for impairment	(1,065,791)	-
		31.12.2019	970,943	-
		31.12.2019 Provision for impairment	(970,943)	-
Intervision Services BV	Subsidiary	30.06.2020	419,270	-
		30.06.2020 Provision for impairment	(419,270)	-
		31.12.2019	418,935	-
		31.12.2019 Provision for impairment	(418,935)	-
Total 30.06.2020			**1,082,310**	**1,102,221**
Total 30.06.2019			**1,822,308**	**2,544,443**

- Revenue and receivable from Forthnet Media A.E. mainly concern the supply of 3-Play bundled services recharged to the subsidiary by the parent 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. Receivable due from Forthnet Media S.A. also includes the payable due, related to cash collected by Forthnet's S.A. stores on behalf of its subsidiary.

- The Company's payable towards Forthnet Media S.A. is mainly related to invoicing of advertising expenses for bundled 3-Play services, rents, revenue of Nova energy scheme, postal services and equipment sales

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 had been initiated for the identification of a prospective investor as highlighted in Note 6; 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-subsidiaries 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.

As at June 30, 2020, the Company, reversed an amount of € 10.6 million from the existing provision of impairment of the receivable from its subsidiary, Forthnet Media S.A., with the reversal arising from the decrease in the aforementioned receivables, taking also into consideration that the impairment indicators have not changed compared to the prior year. The net receivable reduction is mainly provided partially by the cash receipt that took place during the reporting period (€ 4.2 million) which led to decreased receivables due from the subsidiary, as well as by the lack of payments related to amounts due to the subsidiary that led to increase of the corresponding payables by € 6.9 million as at June 30, 2020. The abovementioned conditions are a result of the increased cash available of the subsidiary which was created mainly by the extension of payments provided by the Greek Government (social security liabilities and other taxes) for companies highly affected by COVID-19.

Salaries and fees for the members of the Board of Directors and the General Managers of the Group as at June 30, 2020 and 2019 are analyzed as follows:

	The Group		**The Company**	
	01.01-30.6.2020	**01.01-30.6.2019**	**01.01-30.6.2020**	**01.01-30.6.2019**
Salaries and fees for executive members of the BoD	150,018	149,987	150,018	149,987
Salaries and fees for non-executive members of the BoD	109,787	110,435	109,787	110,435
Salaries and fees for senior managers	1,018,545	986,074	707,795	668,334
Total	**1,278,352**	**1,246,496**	**967,601**	**928,756**

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and Management relating to social security amounted to € 76,841 for the Group and € 56,300 for the Company respectively (June 30, 2019: € 76,606 for the Group and € 55,625 for the Company respectively).

Iraklio, 29 September 2020

Deepak Srinivas Padmanabhan

President

of the Board of Directors

ERNST & YOUNG (HELLAS)
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THIS IS A TRANSLATION FROM THE ORIGINAL VERSION IN THE GREEK LANGUAGE

Independent auditor's review report

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

Report on the Review of the Interim Condensed Financial Information

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of the Hellenic Company for Telecommunications and Telematic Applications S.A. ''Forthnet S.A.'' (the "Company") and its subsidiaries (the "Group"), as at June 30, 2020, and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim condensed financial information and which form an integral part of the six-month financial report required by Law 3556/2007.

Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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

Emphasis of Matter

We draw attention to Note 6 to the interim condensed separate and consolidated financial statements which indicates that, at June 30, 2020, (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 € 6.6 million and € 23.3 million, respectively, and, (b) the Company's and Group's current liabilities exceeded their current assets by € 88.7 million and € 390.6 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 June 30, 2020, the Company and the Group presented a negative equity of € 70.6 million and € 241.1 million, respectively. As further discussed in Note 6 (i), the Company's and Group's ability to complete the refinancing of their entire loan obligations, including principal and interest, under their loan agreements, if such action is required dependent on the evolution of the transaction with the new investor and its next actions 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 and (b) the implementation of the 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 interim condensed separate and consolidated financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts, the amounts and classification of liabilities or any other adjustments that might result should the Company and the Group be unable to continue as a going concern. Our conclusion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

Our review has not identified any material inconsistency or error in the declarations of the members of Board of Directors and the information contained in the six-month financial report prepared in accordance with article 5 and 5a of Law 3556/2007 and the condensed separate and consolidated financial information.

In Note 6 to the interim condensed separate and consolidated financial statements it is noted that at June 30, 2020, 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.

Athens, September 29, 2020

The Certified Auditor Accountant

Andreas Hadjidamianou
S.O.E.L. R.N. 61391
ERNST &YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
8B CHIMARRAS STR.
GR 151 25 MAROUSSI, ATHENS
SOEL REG. No. 107

INTERIM CONDENSED FINANCIAL STATEMENTS

(consolidated and separate)

For the period from January 01, 2020 to June 30, 2020

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	The Group		The Company	
		01.01-30.6.2020	**01.01-30.6.2019**	**01.01-30.6.2020**	**01.01-30.6.2019**
Revenues	8	124,175,808	132,424,788	74,518,551	75,858,595
Rental income		56,473	51,640	56,473	51,640
Telecommunications costs		(38,276,207)	(38,170,379)	(38,263,607)	(38,170,378)
Royalties and licenses	17	(29,238,290)	(32,769,529)	-	-
Cost of sales of inventory and consumables		(774,690)	(999,017)	(752,814)	(916,850)
Advertising and promotion costs		(2,263,884)	(1,285,505)	(1,498,315)	(514,375)
Payroll and related costs		(16,162,637)	(17,129,540)	(9,830,415)	(10,173,922)
Sundry expenses	9	(20,029,893)	(24,593,857)	(12,387,204)	(15,994,675)
Impairment of intercompany receivables	23	-	-	(94,492)	(1,240,244)
Income from reversal of impairment of intercompany receivables	23	-	-	10,646,793	250,021
Other income		978,149	1,025,599	897,271	1,016,698
Depreciation and amortisation		(26,305,885)	(27,684,312)	(11,131,880)	(11,911,066)
Financial income		5,056	480,598	27,473	491,843
Financial expenses		(7,297,325)	(7,383,070)	(2,932,760)	(2,715,632)
Profit / (Loss) before income taxes		**(15,133,324)**	**(16,032,584)**	**9,255,073**	**(3,968,345)**
Income taxes	10	575,237	778,999	(488,946)	(1,119,544)
Profit / (Loss) after taxes		**(14,558,087)**	**(15,253,585)**	**8,766,128**	**(5,087,889)**
Loss for the period attributable to:					
Shareholders of the Parent Company		(14,556,555)	(15,251,845)	8,766,128	(5,087,889)
Non-controlling interests		(1,532)	(1,740)	-	-
		(14,558,087)	**(15,253,585)**	**8,766,128**	**(5,087,889)**
Loss per share (Basic and diluted)		**(0.0843)**	**(0.0899)**	**-**	**-**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods					
Remeasurement gains/(losses) on defined benefit plans		-	-	-	-
Income tax effect		-	-	-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		-	-	-	-
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		-	-	-	-
Other comprehensive income is attributable to :					
Shareholders of the Parent Company		-	-	-	-
Non-controlling interests		-	-	-	-
Total comprehensive income/ (loss) for the year		**(14,558,087)**	**(15,253,585)**	**8,766,128**	**(5,087,889)**
Total comprehensive income/ (loss) for the year attributable to :					
Shareholders of the Parent Company		(14,556,555)	(15,251,845)	8,766,128	(5,087,889)
Non-controlling interests		(1,532)	(1,740)	-	-
		(14,558,087)	**(15,253,585)**	**8,766,128**	**(5,087,889)**

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	The Group		The Company	
		30.6.2020	31.12.2019	30.6.2020	31.12.2019
ASSETS					
Non-current assets					
Property, plant and equipment	11	39,001,738	41,032,067	37,854,228	39,821,226
Right-of-use Assets	13	19,487,238	24,474,816	5,066,111	5,310,789
Intangible assets	12	52,402,639	57,827,010	9,981,125	9,004,419
Contracts cost	14	28,683,628	30,633,989	16,255,358	16,442,711
Goodwill	15	83,144,217	83,144,217	512,569	512,569
Other non-current assets		2,452,450	2,494,723	500,668	500,668
Contract assets		5,544,460	5,498,786	5,544,460	5,498,786
Other financial assets		339,389	339,389	248,394	248,394
Deferred tax assets		7,668,082	8,036,376	-	-
Total non-current assets		**238,723,841**	**253,481,373**	**75,962,913**	**77,339,562**
Current assets					
Inventories		2,309,635	2,379,385	979,128	451,692
Programme and film rights	17	10,587,898	34,649,092	-	-
Trade accounts receivable	18	33,484,370	34,049,096	18,338,690	18,427,500
Contract assets		21,854,869	17,869,314	21,131,689	17,687,245
Prepayments and other receivables		5,472,437	4,236,198	3,731,463	2,618,124
Due from related companies	23	1,084,287	1,823,883	1,082,309	1,822,308
Cash and cash equivalents		5,677,706	1,719,299	3,901,057	1,353,967
Restricted cash		3,777,563	5,200,522	3,774,888	5,080,050
Total current assets		**84,248,765**	**101,926,789**	**52,939,224**	**47,440,886**
TOTAL ASSETS		**322,972,606**	**355,408,162**	**128,902,137**	**124,780,448**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	19	51,779,870	51,779,870	51,779,870	51,779,870
Share premium		300,499,045	300,499,045	300,499,045	300,499,045
Other reserves		191,538,177	191,538,177	191,339,964	191,339,964
Accumulated deficit		(784,913,479)	(770,356,837)	(614,228,127)	(622,994,255)
Total		**(241,096,387)**	**(226,539,745)**	**(70,609,248)**	**(79,375,376)**
Non-controlling interests		(45,490)	(44,025)	-	-
Total equity		**(241,141,877)**	**(226,583,769)**	**(70,609,248)**	**(79,375,376)**
Non current liabilities					
Long-term borrowings	20	43,835,416	42,825,040	43,835,416	42,825,040
Long-term transponder leases		7,514,503	14,759,547	-	-
Other long-term leases		1,917,293	1,969,104	1,651,838	1,662,135
Other long-term liabilities		12,861,765	14,483,556	439,161	1,048,328
Reserve for staff retirement indemnities		4,468,233	4,401,177	2,768,879	2,718,343
Contract liabilities		5,912,242	6,438,207	5,819,867	6,247,531
Government grants		2,098,824	2,553,268	2,098,824	2,553,268
Deferred tax liability		10,662,547	11,632,404	1,273,862	784,917
Total non-current liabilities		**89,270,823**	**99,062,303**	**57,887,847**	**57,839,563**
Current liabilities					
Trade accounts payable		102,368,670	103,534,369	26,601,280	29,264,799
Due to related companies	23	1,105,370	2,554,111	1,102,220	2,544,443
Short-term borrowings	20	1,112,129	1,112,129	38,400	38,400
Current portion of long-term borrowings	20	255,000,000	255,000,000	78,461,538	78,461,538
Contract liabilities		21,001,302	20,302,621	11,728,187	12,133,820
Current portion of transponder leases		14,230,557	13,721,055	-	-
Current portion of other leases		687,830	661,211	601,683	584,417
Current portion of programmes and film rights obligations	21	15,392,066	36,325,689	2,150,000	2,435,192
Income tax payable		838,777	874,868	-	-
Accrued and other current liabilities	22	63,106,959	48,843,576	20,940,229	20,853,653
Total current liabilities		**474,843,660**	**482,929,628**	**141,623,537**	**146,316,262**
Total liabilities		**564,114,483**	**581,991,931**	**199,511,384**	**204,155,824**
TOTAL EQUITY AND LIABILITIES		**322,972,606**	**355,408,162**	**128,902,137**	**124,780,448**

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

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	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, 2019	49,156,253	300,499,045	192,292,303	(741,662,288)	**(199,714,687)**	(40,725)	**(199,755,412)**
Share capital increase	2,616,971	-	(993,642)	-	**1,623,329**	-	**1,623,329**
Total comprehensive loss after income taxes of the period	-	-	-	(15,251,846)	**(15,251,846)**	(1,740)	**(15,253,586)**
Other movements	-	-	547,315	2,144	**549,459**	(2,568)	**546,891**
Total Equity at June 30, 2019	**51,773,224**	**300,499,045**	**191,845,976**	**(756,911,990)**	**(212,793,745)**	**(45,033)**	**(212,838,779)**
Total Equity beginning at January 1, 2020	51,779,870	300,499,045	191,538,177	(770,356,837)	**(226,539,745)**	(44,025)	**(226,583,769)**
Total comprehensive loss after income taxes of the period	-	-	-	(14,556,555)	**(14,556,555)**	(1,532)	**(14,558,087)**
Other movements	-	-		(87)	**(87)**	67	**(20)**
Total Equity at June 30, 2020	**51,779,870**	**300,499,045**	**191,538,177**	**(784,913,479)**	**(241,096,387)**	**(45,490)**	**(241,141,876)**

The Company	*Share Capital*	*Share Premium*	*Other Reserves*	*Accumulated deficit*	***Total***
Total Equity beginning at January 1, 2019	49,156,253	300,499,045	192,094,093	(614,238,970)	**(72,489,579)**
Share capital increase	2,616,971	-	(993,642)	-	**1,623,329**
Total comprehensive loss after income taxes of the period	-	-	-	(5,087,889)	**(5,087,889)**
Other movements	-	-	547,312	-	**547,312**
Total Equity at June 30, 2019	**51,773,224**	**300,499,045**	**191,647,763**	**(619,326,859)**	**(75,406,827)**
Total Equity beginning at January 1, 2020	51,779,870	300,499,045	191,339,964	(622,994,255)	**(79,375,376)**
Total comprehensive loss after income taxes of the period	-	-	-	8,766,128	**8,766,128**
Total Equity at June 30, 2020	**51,779,870**	**300,499,045**	**191,339,964**	**(614,228,127)**	**(70,609,248)**

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

INTERIM CONDENSED CASH FLOW STATEMENT

	Note	The Group		The Company	
		01.01-30.6.2020	01.01-30.6.2019	01.01-30.6.2020	01.01-30.6.2019
Cash flows from Operating Activities					
Loss before income taxes		(15,133,324)	(16,032,584)	9,255,073	(3,968,345)
Adjustments for:					
Depreciation and amortization		26,305,885	27,684,312	11,131,880	11,911,066
Amortization of subsidies		(454,444)	(457,559)	(454,444)	(457,559)
(Gain) / loss from the sale of tangible and intangible assets		(1,725)	(120,870)	(403)	(151,970)
Financial (income)/expenses		7,292,269	6,902,471	2,905,287	2,223,789
Impairment of investments in subsidiaries	23	-	-	94,492	1,240,244
Income from reversal of impairment of intercompany receivables	23	-	-	(10,646,793)	(250,021)
Allowance for doubtful accounts receivable		1,785,526	2,812,576	732,559	1,795,511
Provision for staff retirement indemnities		248,184	236,561	126,259	-
Other provisions		-	(267,002)	-	15,400
Operating profit before working capital changes		**20,042,370**	**20,757,905**	**13,143,910**	**12,358,115**
(Increase)/Decrease in:					
Inventories		69,750	747,543	(527,436)	30,075
Trade accounts receivable & amounts due from related companies & contract assets		(4,466,759)	(2,450,318)	7,204,107	(658,551)
Programme and film rights		24,061,194	21,100,038	-	-
Prepayments and other receivables		(1,236,239)	(1,244,843)	(1,113,339)	(462,325)
Decrease in other non-current assets		(3,401)	389,480	(45,674)	323,839
(Increase)/Decrease in:					
Trade accounts payable and amounts due from related companies		(23,548,062)	(16,635,608)	(4,390,934)	(1,660,270)
Deferred income & Contract liabilities		698,681	(4,705,494)	(405,633)	(3,761,353)
Accrued and other current liabilities		9,926,407	5,567,690	(1,047,856)	4,041,393
Income taxes paid		(79,748)	-	(79,748)	(598,303)
Payment of staff retirement indemnities		(181,128)	(234,653)	(75,723)	(20,026)
Decrease in other long-term liabilities		(2,147,756)	(2,197,798)	(1,036,831)	(8,973)
Net cash from Operating Activities		**23,135,309**	**21,093,942**	**11,624,842**	**9,583,621**
Cash flow from Investing activities					
Capital expenditure for property, plant and equipment, intangible assets and contracts' cost	11, 12, 14	(11,569,324)	(12,638,576)	(9,372,549)	(7,759,775)
Sale of tangible and intangible assets		19,214	171,166	3,850	-
Interest and related income received		5,056	7,482	27,473	28,917
Restricted cash		1,422,959	(981,380)	1,305,162	(1,021,369)
Net cash used in Investing Activities		**(10,122,095)**	**(13,441,308)**	**(8,036,064)**	**(8,752,227)**
Cash flows from financing activities					
Interest and other finance costs paid		(864,012)	(1,193,335)	(602,860)	(338,548)
Net change in leases		(8,190,795)	(6,206,193)	(438,828)	(110,301)
Net cash used in financing activities		**(9,054,806)**	**(7,399,528)**	**(1,041,688)**	**(448,849)**
Net increase in cash and cash equivalents		**3,958,407**	**253,105**	**2,547,090**	**382,545**
Cash and cash equivalents at the beginning of the year		1,719,299	1,532,249	1,353,967	901,423
Cash and cash equivalents at the end of the year		**5,677,706**	**1,785,354**	**3,901,057**	**1,283,968**

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1. Corporate Information

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

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

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

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

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

Companies participating directly (by more than 5%) in the share capital of the Company at June 30, 2020 and December 31, 2019 are as follows:

	% Participation 30.06.2020	% Participation 31.12.2019
WIND HELLAS TELECOMMUNICATIONS AEBE	21.05%	21.05%
GO PLC	14.42%	14.42%
MASSAR INVESTMENTS LLC	14.42%	14.42%
NATIONAL BANK OF GREECE	12.14%	12.14%
PIRAEUS BANK	15.11%	15.11%
ALPHA BANK	8.48%	8.48%

The Group's number of employees at June 30, 2020, amounted to 930, while that of the Company to 593. At June 30, 2019, the respective number of employees was 960 for the Group and 606 for the Company. It is noted that the aforementioned numbers concern Full Time Equivalent – FTEs and not the absolute number of staff (head count).

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

Company Name	Incorporation Date	Main Operations	Country	Group's ownership %	
				30.6.2020	31.12.2019
Forthnet Media S.A.	23/4/2008	PAY-TV Services	Greece	99,99%	99,99%
NetMed N.V.	12/1/1996	Holding Company	Holland	100%	100%
NetMed A.E.	12/1/1996	Customer Support Services	Greece	100%	100%
Intervision Services B.V.	12/1/1996	Content Acquisition Services	Holland	100%	100%
Dikomo Investment Sarl	12/1/1996	Holding Company	Luxembourg	0%	100%
Tiledrasi S.A	18/6/2003	Holding Company	Luxembourg	0%	100%

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

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

- The subsidiaries Dikomo Investment Sarl and Tiledrasi S.A. were under liquidation process as at 31 December 2019. Their liquidation took place in the reporting period.

The Board of Directors of Forthnet approved the separate and consolidated interim condensed financial statements for the period ended at June 30, 2020, on September 29, 2020.

2. Basis of Presentation of Financial Statements

The accompanying separate and consolidated interim condensed financial statements that relate to the six-month period ended on June 30, 2020, have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

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

The accompanying separate and consolidated interim condensed financial statements do not include all the information required in the annual financial statements and, therefore, should be read in conjunction with the published annual financial statements for the year ended December 31, 2019, which are available on the internet in the address www.nova.gr.

3. Basis Of Consolidation

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

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

Profit or Losses of subsidiaries are attributed to the non-controlling interest even if that results in a deficit balance.

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

If the Group loses control over a subsidiary, it:
- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parents' share of components previously recognised in other comprehensive income to profit or loss

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

Any differences traced in sums are due to rounding.

4. Significant Accounting Policies

A) Changes in accounting policy 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 2020.

- **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. 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 material 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)**

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. 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 provide 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. The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. Phase two (issued and the amendments apply to annual periods beginning on or after 1 January 2021), focuses on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). 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.

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

- **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 will have no material 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 IASB has issued an exposure draft to defer the effective date to 1 January 2023. 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 will have no material impact on the financial position and / or the financial performance of the Group and the Company.

- **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

  - **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- **Annual Improvements** make minor amendments to **IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture** and the Illustrative Examples accompanying **IFRS 16 Leases**

The amendments have not yet been endorsed by the EU. Management has assessed that the amendments will have no impact on the financial position and / or the financial performance of the Group and the Company.

- **IFRS 16 Leases-Covid 19 Related Rent Concessions (Amendment)**

The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
- There is no substantive change to other terms and conditions of the lease.

The amendment has 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.

Reclassification of accounts in Statement of Cash flows of the Entity related to period 1/1/2019 to 30/6/2019: in current period a reclassification in statement of cash flow accounts took place related to comparable balances. Specifically, an amount of € 1.2 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		
	01.01-30.06.2019 Published	Reclassification	01.01-30.06.2019 Restated
Programme and film rights	(1,242,514)	1,242,514	-
Trade accounts payable and amounts due from related companies	(417,756)	(1,242,514)	(1,660,270)
Net cash from Operating Activities	**9,583,621**	**-**	**9,583,621**

Reclassification of accounts in Statement of Comprehensive Income of the Entity related to the period 1/1/2019 to 30/6/2019: in current period a reclassification in statement of comprehensive income accounts took place related to comparable figures. Specifically, an amount of € 0.25 million was reclassified to “Income from reversal of impairment of intercompany receivables”. The effect provided by the reclassification is presented in the below table:

	The Company		
	01.01-30.6.2019 Published	Reclassification	01.01.2019-30.06.2019 Restated
Impairment of intercompany receivables	(990,223)	(250,021)	(1,240,244)
Income from reversal of impairment of intercompany receivables	-	250,021	250,021
Profit / (Loss) after taxes	**(5,087,889)**	**-**	**(5,087,889)**

Reclassification of accounts in Statement of Financial Position of the Entity and the Group related to prior year: in current period a reclassification in statement of financial position accounts of the Entity and the Group took place related to prior year balances. Specifically, an amount of € 0.6 million was reclassified to "Right of Use assets". The effect provided by the reclassification is presented in the below table:

	The Group		
	31.12.2019 Published	Reclassification	31.12.2019 Restated
Right-of-use Assets	23,852,316	622,500	24,474,816
Property, plant and equipment	41,654,567	(622,500)	41,032,067
Total non-current assets	**253,481,373**	**-**	**253,481,373**

	The Company		
	31.12.2019 Published	Reclassification	31.12.2019 Restated
Right-of-use Assets	4,688,289	622,500	5,310,789
Property, plant and equipment	40,443,726	(622,500)	39,821,226
Total non-current assets	**77,339,562**	**-**	**77,339,562**

5. Significant Accounting Judgements and estimates

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

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's and the Company's annual financial statements for the year ended December 31, 2019.

As a result of the COVID-19 pandemic and its economic effects, Management has reviewed the significant accounting judgements and estimates used in the preparation of the Financial Statements, and considering there is no significant effect in the Group's financial position and business by the COVID-19 pandemic, decided that no significant judgement or estimate requires modification.

6. Going Concern

As of June 30, 2020 and till the date of approval of the interim condensed 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 €6.6 million and €23.3 million respectively.

As of June 30, 2020, 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 €88.7 million and €390.6 million respectively. Additionally the Company's net assets have become negative by € 70.6 million.

With regards to the refinancing of the Existing OBLs and by making a historical review of the developments, the following events have taken place so far:

1. After negotiating with the lending banks during the year 2016, the Group reached an agreement on the key refinancing terms for the Existing OBLs. More specifically, on 15.06.2016 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 would 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 would be for 8 years with a floating interest rate, and would 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 would be for 8 years, with a floating interest rate and would be issued with a guarantee from the Company.

Those ordinary bond loans were 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 amounted 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 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, because of the below mentioned events that have taken place as part of the Nomura process (see below subnotes 5 to 11 of current note).

4. During the 4th conversion period which ended on 30.10.2017, the conversion right was exercised by the lending banks for 53,668,147 convertible bonds of the Company into shares. Said conversion right was exercised separately from each of the following bond holders: Piraeus Bank, Attica Bank, National Bank of Greece and Alpha Bank. Following the aforementioned conversions the lending banks had 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 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 has concluded, as described in detail below.

6. During the 9th conversion period which ended on 30.01.2019, the conversion right was exercised by the lending banks for 8,723,237 convertible bonds of the Company into shares. Said conversion right was exercised separately from each of the following bondholders. Following the aforementioned conversions the lending banks have since then and as of June 30, 2020 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%).

7. As announced by the Company on 29.05.2020, the Nomura process has concluded to a transaction between the lending Banks ("Sellers") and United Group (the "Purchaser"). Based on the aforementioned announcement, the content of which was disclosed from the Sellers and the Purchases to the Company, the Sellers have agreed to sell, and the Purchaser has agreed to purchase, (i) all of the existing loan receivables owned by the Sellers in the Company (and the Company's main operating subsidiary, Forthnet Media S.A.) amounting approximately to EUR 281 million (the "Loan Receivables"), (ii) all of the convertible bonds owned by the Sellers with a total outstanding principal amount of approximately EUR 52 million (the "Convertible Bonds") and (iii) all of the ordinary shares in the Company owned by the Sellers (the "Sale Shares") (collectively, the "Transaction"). The Transaction would be subject to customary regulatory approvals and standard conditions precedent (the "Conditions").

Following the satisfaction of the Conditions, the Purchaser would, initially, acquire up to approximately 50% of the principal amount of the Convertible Bonds and all the Loan Receivables (collectively, the "Debt Acquisition Transaction"), which will be followed at a later date by the acquisition of the remaining Convertible Bonds and the Sale Shares. The Purchaser has further committed to provide working capital facility to the Company, subject to satisfactory documentation and other customary conditions, to cover the working capital needs of the Company until the completion of the Transaction.

The Purchaser has further informed the Company that: *«Following the completion of the Transaction (or, as appropriate, the Debt Acquisition Transaction), the Purchaser will assess all of the available alternatives for the recapitalization and substantial deleveraging of the Company through a comprehensive debt to equity conversion and the injection of new capital. These actions, if completed, are expected to eliminate the entire debt burden of the Company and provide to it significant additional capital resources that will ensure its financial stability, further profitable growth and ability to implement the Purchaser's strategic plan for the Company».*

Based on the above, this development was expected to significantly improve the financial position of Forthnet Group (the parent Company and its subsidiaries) as, if the transaction was completed, is would bes expected to have positive impact on its capital structure.

8. Based on the announcement made by the Company on 17.08.2020 and according to the Press Release posted to the European Commission's official website on 14.8.2020 the Commission approved, under the EU Merger Regulation, the proposed acquisition of the Company by United Group B.V.

9. Following the aforementioned developments and based on the announcements made by the Company on 02.09.2020 and 08.09.2020, the Company was informed by the Purchaser that the relevant regulatory conditions have been satisfied and the Parties proceeded to the closing of the Debt Acquisition Transaction on September 8th, 2020 as it has previously been planned and announced.

10. Following the above and based on the announcement made by the Company on 10.09.2020, the Purchaser – and, already bondholder - Newco United Group Hellas SARL, during the ongoing (17th) conversion period which expires on 30.09.2020, legally submitted on 09.09.2020 an irrevocable request for the conversion of 85,766,667 convertible bonds into Company shares. Following the exercise of the conversion right for 85,766,667 convertible bonds by the above bondholder, the Company's share capital increases by €25,730,000.10 with the issuance of 85,766,667 new ordinary registered shares, of a nominal value of €0.30 each (hereinafter the «New Shares »), according to the terms of the CBL program. The Company's Board of Directors, according to the Prospectus, by virtue of a respective decision shall certify the above share capital increase and shall proceed to any action necessary for the listing of the New Shares for trading in the ATHEX's Segment "Under Surveillance" and the delivery to the beneficiary according to the provisions of the ATHEX Regulation and the respective implementation decisions. Upon completion of the above procedures, the Company's share capital shall amount to seventy-seven million five hundred nine thousand eight hundred seventy euro and twenty cents (€77,509,870.20) and shall be divided into two hundred fifty-eight million three hundred sixty-six thousand two hundred thirty-four (258,366,234) ordinary registered shares, of a nominal value of €0.30 each.

11. Based on the above announcements, it is estimated that in the forthcoming period it is likely that the actions of the Purchaser will take place in the context of its (disclosed and already announced) commitment to "*assess all of the available alternatives for the recapitalization and substantial deleveraging of the Company through a comprehensive debt to equity conversion and the injection of new capital. These actions, if completed, are expected to eliminate the entire debt burden of the Company and provide to it significant additional capital resources that will ensure its financial stability, further profitable growth and ability to implement the Purchaser's strategic plan for the Company".*

Group Management estimates that based on its current assessment of circumstances (and provided that a potential refinancing of the existing OBLs is completed, if it is required, depending on the development of the Transaction and the Purchaser's next actions), the working capital cash needs and the financing cash needs of the Group for the next 12 months from the signing of these interim condensed financial statements, will amount to approximately € 23.2 million and €27.4 million respectively. Management will pursue to cover above cash needs through further reduction of the Group's operating costs, extension of suppliers credit terms, new short term loans, and, finally, potential capital increase by its shareholders.

If the above described Management actions are not implemented, or prove to be insufficient; or in case that the Purchaser's commitments are not materialized, based on the information received by the Company so far and its announcements described above; with the result that the working capital cash needs of the Group are not covered partially of fully, then the Group results, operations and prospects could be negatively affected.

Moreover, due to the current adverse, unpredictable 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 impact 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 previous year has turned 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 interim period ended June 30, 2020.
- 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 the BoD report that accompanies these interim condensed financial statements of the period ended June 30, 2020.

In order to ensure that the use of the 'going concern' assumptions 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 of the Company. Moreover, it took into account the repayment of € 70 million which fulfilled a key requirement, as it had been set by the lending banks, for completing the refinancing of the Group's loan obligations under the Existing OBL, the successful completion of Nomura process which led to the entrance of UNITED GROUP as a new creditor of the Company and potential shareholder, as well as the above mentioned intended Management actions to cover the working capital cash needs for the next 12 months. In light of the above, the interim condensed separate and consolidated financial statements for the Company and Group have been prepared on a "going concern" basis. Consequently, the attached interim condensed financial statements do not include adjustments relating to the recoverability and classification of assets, the amounts and classification of liabilities or other adjustments which would have been required if the Company and Group were not in a position to continue as a "going concern".

However; the potential non completion of a potential refinancing of the Existing OBLs (if such an action is required, as described above and depending on the evolution of the Transaction as well as the next actions of the Purchaser), the uncertainty about the adequacy and effectiveness of the intended Management actions to cover the Company's and Group's working capital cash needs, in the context of the measures approved by the General Assembly as required by art. 119 L. 4548/2018, 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.

7. Group Segment Information

The Group's business approach is to review telecommunications and pay-TV services as a whole, with the whole business philosophy centered on 3play. As the financial information received by the Group Chief Operating Decision Maker for this single sector is consistent with IFRS information, no separate disclosures are made in this note.

8. Revenues

Revenues are analyzed as follows:

	The Group		**The Company**	
	01.01-30.6.2020	**01.01-30.6.2019**	**01.01-30.6.2020**	**01.01-30.6.2019**
Revenues from contracts with customers				
Direct Retail Services	**98,221,725**	**105,419,436**	**51,180,767**	**52,002,080**
Bundled services (2play)	25,466,405	23,518,934	25,466,405	23,518,934

Bundled services (3play)	19,652,448	21,772,646	19,408,754	21,772,646
Telephony	1,024,756	1,329,397	1,027,170	1,331,359
ADSL	3,776,064	3,872,095	3,894,699	3,972,152
Pay-TV Revenues	46,918,312	53,519,375	-	-
Other	1,383,739	1,406,989	1,383,739	1,406,989
Indirect Retail Services	**454,419**	**394,732**	**454,419**	**394,732**
Telephony	28,361	36,746	28,361	36,746
ADSL	237,918	293,695	237,918	293,695
Other	188,140	64,291	188,140	64,291
Direct Business Services	**16,754,515**	**16,448,522**	**16,433,541**	**16,448,522**
E-business	**429,578**	**447,916**	**429,578**	**447,916**
Pay-TV Advertising Revenue	**4,719,758**	**5,045,475**	**-**	**-**
Equipment sales	**658,294**	**1,360,364**	**658,294**	**866,534**
Other services	**2,937,519**	**3,308,343**	**5,361,952**	**5,698,811**
Total	**124,175,808**	**132,424,788**	**74,518,551**	**75,858,595**
Revenue recognised at a point in time	658,294	1,360,364	658,294	866,534
Revenue recognised over time	123,517,514	131,064,424	73,860,257	74,992,061
	124,175,808	**132,424,788**	**74,518,551**	**75,858,595**

- Billed revenue which has been deferred and will be recognized as revenue in subsequent periods for the Group and the Company as of June 30, 2020, amounted to € 26,392,518 και € 17,548,054 respectively, of which an amount of € 5,912,242 and € 5,819,867 for the Group and the Company respectively, relates to the long-term portion. The aforementioned amounts are presented in the line "Liabilities from contracts with customers" of the statement of financial position as short and long term respectively.

- Unbilled revenues as of June 30, 2020 for the Group and Company amounted to € 27,399,329 and € 26,676,149 respectively and are presented in the line "Assets from Contracts with Customers" of the statement of financial position. An amount of € 5,544,460 for the Group and the Company refer to the long term portion.

9. Sundry Expenses

Sundry expenses are analyzed as follows:

	The Group		The Company	
	01.01-30.6.2020	**01.01-30.6.2019**	**01.01-30.6.2020**	**01.01-30.6.2019**
Third party fees and services	7,715,087	8,438,716	5,495,594	6,453,006
Taxes and duties	396,696	470,341	351,039	422,109
Other sundry expenses	2,943,650	3,751,396	1,232,358	1,507,443
Allowance for doubtful accounts receivable	1,887,678	2,873,152	806,384	1,822,694
Repairs and maintenance	2,299,219	2,388,404	1,543,053	1,464,889
Rentals	738,059	896,103	122,700	192,072
Office functional costs	1,131,514	1,137,015	821,984	824,759
Commissions	2,917,990	4,638,730	2,014,092	3,307,703
Total	**20,029,893**	**24,593,857**	**12,387,204**	**15,994,675**

Third party fees and services mainly include consultant fees, program production fees, fees to collection companies and commercial partner fees.
Other sundry expenses mainly include transportation costs, insurance expenses, postage, travel expenses, consumables and hosting costs.
The account "Sundry expenses" of the statement of financial position also include those lease expenses which the Company and the Group accounted using the "short term leases" exemption of the IFRS 16.

10.Income taxes

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

	The Group		The Company	
	01.01-30.6.2020	01.01-30.6.2019	01.01-30.6.2020	01.01-30.6.2019
Current income taxes	26,322	(280,422)	-	(355,823)
Reversal of income tax provisions	-	(400,000)	-	(200,000)
Deferred income taxes	(601,559)	(98,577)	488,946	1,675,367
Income taxes debit/ (credit)reported in the statement of profit and loss	**(575,237)**	**(778,999)**	**488,946**	**1,119,544**
Other comprehensive income				
Net (loss)/gain on actuarial gains and losses	-	-	-	-
Total income taxes debit/ (credit)reflected in the statements of total comprehensive income	**(575,237)**	**(778,999)**	**488,946**	**1,119,544**

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 65a 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.

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, 2017 and 2018 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 65a 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.

Unaudited Tax Years

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.

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

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 realized or the liability will be settled and are based on the tax rates that have been enacted or effectively enacted as of the date of the statement of financial position.

11.Property, plant and equipment

During the period from January 1, 2020 until June 30, 2020, the Group’s total investments in tangible assets amounted to € 3,321,154 and those of the Company’s amounted to € 3,138,652 and mainly concern the expansion of Forthnet’s private telecommunication network (June 30, 2019: € 2,446,283 for the Group and € 2,389,554 for the Company).

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

12.Intangible Assets

In the period from January 1, 2020 to June 30, 2020, the Group's total investment in intangible assets amounted to € 3,084,208 and of the Company to € 2,762,021 and mainly concern the purchases of software and the upgrading and development of software programs (30 June 2019: € 1,455,545 for the Group and € € 1,095,655 for the Company). The increase of investments in current period refers to purchases of software and internally generated intangible assets related to preparation of the entity for the MVNO.

13.Right-of-use assets

Right-of-Use assets of the Group as at June 30, 2020 include, among other rights-of-use, the right of transponder’s use amounting to €14,094,067 (30 June 2019: € 23,490,110). Right-of-Use assets of the Company as at June 30, 2020 consist mainly of the rights-of-use related to the leased facilities in Tavros (7 Menemenis str.) and Kolonos (58 Antigonis str.), of the rights of leased lines and the rights related to leased vehicles of the Company.

14.Contracts cost

During the period January 1, 2020 to June 30, 2020, the total subscribers’ acquisition costs for the Group amounted to € 5,164,273 and for the Company to € 3,471,876 and related mainly to commercial commissions to business partners, installation fees, activation costs and equipment costs. (30 June 2019: € 7,202,637 for the Group and € 4,264,566 for the Company).

15.Goodwill

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

	The Group		The Company	
	30.6.2020	**31.12.2019**	**30.6.2020**	**31.12.2019**
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**

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

Group's management, taking into account the comparison of the budget with the actual results of the Group up to the reference date of the interim condensed financial statements, concluded that there is no need for significant changes in the assumptions used in the most recent impairment test, which was conducted on 31 December 2019, with regards to the Group's activity and its operational results. Consequently, no further impairment was required as of 30 June 2020 (refer to Note 5 and section 5 of BoD report). Furthermore, the Group examined a wide range of factors relating to its current and expected customer base, profitability and cash flows, based on which no material adverse effect on the financial, situation and the results of the Company is expected as of the June 30, 2020.

The pre-tax discount rate applied to cash flow projections as of December 31, 2019 was 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.

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

The Group continuously monitors developments and, as noted in Note 6 of the Interim Condensed Financial Statements, due its current financial position, the Company's and Group's activities are subject to certain risks that have a potentially negative impact in their activities. The Group will therefore reperform an impairment review exercise as part of the preparation of the annual financial statements of the year to be ended 31 December 2020.

16.Investment in Subsidiaries

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

Entity	Country of Incorporation	Consolidation Method	Participation Relationship	Equity Interest %		Carrying Value	
				30.6.2020	31.12.2019	30.6.2020	31.12.2019
Forthnet Media S.A.	Greece	Full	Direct	99.99%	99.99%	-	-
						-	-

As at December 31, 2018, the Company proceeded with an impairment testing exercise of its investments in subsidiaries and, more specifically, its investment in the subsidiary, Forthnet Media S.A. The carrying value of the Company's investment in the subsidiary was higher than the recoverable amount and, consequently, the subsidiary was fully impaired as at December 31, 2018.

17.Programme and film rights

Programme and film rights receivables are analyzed as follows:

	The Group	
	30.6.2020	31.12.2019
Cost		
Sports rights	27,796,529	76,297,654
Licensed film rights	4,371,250	6,482,613
Cost of Sports and Film Rights	**32,167,779**	**82,780,267**
Royalties and licenses		
Sports rights	(19,751,399)	(44,614,412)
Licensed film rights	(1,828,482)	(3,516,763)
Sports and Film Rights Royalties and licenses	**(21,579,881)**	**(48,131,175)**
Net Value		
Sports rights	8,045,130	31,683,242
Licensed film rights	2,542,768	2,965,850
Sports and Film Rights, net value	**10,587,898**	**34,649,092**

The variance between 30 June 2020 and 31 December 2019 is due to the seasonality presented in the sports and film rights. The above financial statement item is also directly related to the item "Program and film rights obligations" (Note 21).

It is clarified that the new acquisitions of sports rights mentioned in the report of the Board of Directors are included in Note 21 in the item "Programme and film rights obligations" due to the Group's accounting policy under which the rights of sports programs and films, as well as the respective obligations towards suppliers are recognized with the start of the exploitation period of each right.

18.Trade Accounts Receivable

Trade accounts receivable are analyzed as follows:

	The Group		The Company	
	30.6.2020	**31.12.2019**	**30.6.2020**	**31.12.2019**
Domestic customers	110,957,843	109,911,263	67,848,088	67,451,275
Foreign customers	1,738,634	1,621,437	720,579	562,991
Receivables from Greek State	1,704,880	1,702,737	1,474,850	1,472,707
Cheques and notes receivable	2,835,534	2,780,655	1,309,598	1,222,394
Total	**117,236,891**	**116,016,092**	**71,353,115**	**70,709,367**
Less: Allowance for doubtful accounts receivable	(83,752,522)	(81,966,995)	(53,014,426)	(52,281,867)
Total	**33,484,369**	**34,049,097**	**18,338,689**	**18,427,500**

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

	The Group		The Company	
	30.6.2020	**31.12.2019**	**30.6.2020**	**31.12.2019**
Opening balance	81,966,996	78,450,760	52,281,866	50,173,329
Reclassification to related parties	(72,635)	(19,481)	(72,635)	(19,481)
Provision for the period	1,886,488	3,748,764	805,194	2,199,875
Less: Utilization	(28,327)	(213,047)	-	(71,857)
Closing balance	**83,752,522**	**81,966,996**	**53,014,425**	**52,281,866**

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 20).

19.Share Capital

The share capital of the Company as at June 30, 2020 and December 31, 2019 amounted to € 51,779,870 and was divided into 172,599,567 common registered shares of a nominal value of € 0.30 each. Similarly, the total number of voting rights of the Company amounted to 172,599,567.

20.Long-term and Short-term borrowings

a) Long –term borrowings

Long-term loans for the Group and the Company at June 30, 2020 and December 31, 2019, are analyzed as follows:

	The Group		The Company	
	30.6.2020	**31.12.2019**	**30.6.2020**	**31.12.2019**
Convertible bond loan	43,835,416	42,825,040	43,835,416	42,825,040
Other bond loans	255,000,000	255,000,000	78,461,538	78,461,538
Total	**298,835,416**	**297,825,040**	**122,296,954**	**121,286,578**
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	**43,835,416**	**42,825,040**	**43,835,416**	**42,825,040**

Convertible bond loan: Forthnet has issued a convertible bond loan and raised a total amount of € 70,124,680, with the issuance of 233,748,933 convertible bonds (CB) on 11.10.2016 and trading in the Securities Market (Main Market) of the Athens Exchange on 21.10.2016. The duration of the bond is nine years from the date of issue. The interest rate was set at one percent (1%) per annum and the interest payment period is quarterly, starting from the date of issue and payment of 31.03, to 30.06, the 30.09 and 31.12 each year from the date of issue. On the repayment date, Forthnet will pay to each bond holder, upon presentation of this certificate of nominal EL.K.A.T. amount € 0.33 per CB, namely 110% of the issue price and corresponding interest from the last interest payment until the expiration date.

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

Furthermore, the bondholders have the option to convert one (1) bond note for one (1) 'new' share, at a nominal value of € 0.30 per convertible bond, four (4) times a year within 30 days from the end of a calendar quarter (other than the issue date) up to the date of maturity of the convertible bond loan.

During the period from January 01, 2019 to June 30, 2019, January 01, 2018 to December 31, 2018 and from January 01, 2017 to December 31, 2017 some bondholders exercised their conversion rights by converting 8,745,390 and 38,370 and 53,718,622 bonds respectively into ordinary shares of the Company. After the conversion the remaining bonds of the convertible bond amounted as of June 30, 2020 to 171,246,551 and have a value of € 51,373,965 (December 31, 2019 : 171,246,551 at a value of € 51,373,965). Furthermore, as a result of the aforementioned conversion in year 2017 and the corresponding share capital increase of the Company by € 16,115,586.6 the convertible bond loan financial liability was reduced by € 12,222,139 while the other reserves were reduced by € 3,893,447 less the relating deferred tax (€ 1,116,327). Respectively, in the year ended December 31, 2018 the bond loan financial liability was reduced by € 11,511. In the year ended December 31, 2019 the bond loan financial liability was reduced by € 1,629,975 while the other reserves were decreased by € 993,642 as a result of the above conversion. During the reporting period no bond conversion right exercise took place.

Other Bond loans:
Existing Group bonds relate to two bond loans of the Company signed on June 29, 2007 and July 22, 2011 and two bond loans of Forthnet Media SA (FM), which were signed on 14 May 2008 and 22 July 2011. The terms and obligations under the loan agreements are described in detail in the published financial statements of December 31, 2015.

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

The Group has submitted requests for waiver to the lending banks in order to further extend the repayment of capital installments. The lending banks have accepted the requested and granted a waiver up till 31 October 2019. The Group has submitted on 24th September 2019 and on 7th May 2020 new requests for further extension (waiver) to 30 April 2020 and to 30 October 2020 respectively. However, no replies have been received by the lending banks until the day of approval of the separate and consolidated financial statements of the period 1/1/2020 to 30/6/2020.

After negotiating with the lending banks during the year 2016, the Group reached an agreement on the key refinancing terms for the Existing OBLs. More specifically, on 15.06.2016 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 would 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 would be for 8 years with a floating interest rate, and would 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 would be for 8 years, with a floating interest rate and would be issued with a guarantee from the Company.

Those ordinary bond loans were 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 amounted to € 325 million.

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.

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 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, because of the events that have taken place as part of the Nomura process (see Note 6 and Note 26)

As at June 30, 2020 the Group has not made contractual payments of € 255 million (31 December 2019 : € 255.0 million) required by its bond loan agreements.

Total interest expenses on long-term loans for the period ended June 30, 2020 , amounted to € 4,391,993 for the Group (June 30, 2019: € 4,225,181) and € 1,522,657 for the Company (June 30, 2019: € 1,476,080) and are included in financial expenses, in the accompanying financial statements. The amount of interest due of the Group amounting to € 23,348,409 (31 December 2019: € 19,239,568) and of the Company amounting to € 6,600,965 (31 December 2019: € 5,361,460) is included in accrued and other current liabilities in the statement of financial position (Note 22).

b) Short-term borrowings

In May 2018 the Group received a short-term financing with a total value of € 3,000,000 at a six-month floating Euribor rate plus a margin of 3% in order to cover its obligations to major suppliers. Of the total amount of € 3,000,000 the amounts of € 38,400 and € 1,257,800 for the Company and the subsidiary company Forthnet Media A.E. respectively, relate to newly raised funds while the amount of € 1,703,800 relates to the release of restricted cash. For the aforementioned short-term financing the Group has pledged the receivables of the subsidiary Forthnet Media A.E. arising from the agreements for the wholesale distribution of "Novasports" branded channels to Vodafone - Panafon AEET and Wind Hellas SA. The following table shows the approved short-term borrowing limits of the Group as well as the unused portion.

	The Group		The Company	
	30.6.2020	31.12.2019	30.6.2020	31.12.2019
Credit lines available	1,112,129	1,112,129	38,400	38,400
Unused portion	-	-	-	-
Used portion	**1,112,129**	**1,112,129**	**38,400**	**38,400**

21.Programme and film rights obligations

Programme and film rights obligations are analyzed as follows:

	The Group		The Company	
	30.6.2020	31.12.2019	30.6.2020	31.12.2019
Programmes and Rights	15,392,066	36,325,689	2,150,000	2,435,192
Less: Current portion	(15,392,066)	(36,325,689)	(2,150,000)	(2,435,192)
Long term portion	**-**	**-**	**-**	**-**

The obligations of programme and film rights relate to the unpaid amount of the respective rights as at June 30, 2020 and December 31, 2019. The movement between the periods is due to seasonality.
The above financial statement item is also directly related to the line item "Programme and film rights" (Note 17).

22.Accrued and other current liabilities

Accrued and other current liabilities are analyzed as follows:

	The Group		The Company	
	30.6.2020	**31.12.2019**	**30.6.2020**	**31.12.2019**
Social security payable	2,149,833	3,144,654	419,850	1,967,703
Value added tax	6,318,970	532,104	369,956	104,314
Other taxes and duties	20,654,767	16,892,580	10,362,931	11,373,103
Interest Accrued (Note 20)	23,348,409	19,239,568	6,600,965	5,361,460
Other current liabilities	4,827,369	2,993,948	3,186,526	2,047,073
Liabilities from rights & licences	5,807,611	6,040,721	-	-
Total	**63,106,959**	**48,843,575**	**20,940,228**	**20,853,653**

The increase in other taxes and duties payable is due to the extension of payments provided by the Greek Government in the context of COVID-19 effect (social security liabilities and other taxes). These extensions relate to two of the subsidiaries (Forthnet Media SA and Netmed SA) which have a business register number included in the Greek government's list of business registers numbers highly affected by COVID-19, and concern a period till April 2021. Additionally the abovementioned increase also refers to new settlements of other taxes made by subsidiary Forthnet Media S.A .

Other current liabilities mainly include employee benefits payable (accrual for bonuses, accrual for untaken leave, payroll payable in the first days of the following month, termination benefits payable, ec). The increase compared to December 31, 2019 is mainly due to the seasonality noted in the untaken leave accrual and other employee bonuses accruals (Christmas bonus, Easter bonus, etc).

23.Related Parties

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

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

Related Party	**Relation with the Group**	**Period ended at**	**Sales to related parties**	**Purchases from related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2020	3,078,408	1,596,402
		30.06.2019	2,287,441	1,240,411
Vodafone S.A.	Shareholder	30.06.2020	3,448,044	1,653,711
		30.06.2019	2,432,084	1,237,315
Technology and Research Foundation	Shareholder	30.06.2020	10,054	1,555
		30.06.2019	16,262	1,627
ALPHA BANK SA	Shareholder	30.06.2020	54,356	70,108
		30.06.2019	60,977	61,037
NATIONAL BANK OF GREECE SA	Shareholder	30.06.2020	6,464	83,169
		30.06.2019	8,830	73,966
PIRAEUS BANK SA	Shareholder	30.06.2020	342,865	-
		30.06.2019	354,299	71
ATTICA BANK SA	Shareholder	30.06.2020	19,533	-
		30.06.2019	19,552	-
Vodafone Ltd.	Related Party	30.06.2020	651,031	823,665

		30.06.2019	1,017,539	748,978
Cablenet Ltd	Related Party	30.06.2020	4,680	12,500
		30.06.2019	5,723	16,543
Total 30.06.2020			**7,615,436**	**4,241,111**
Total 30.06.2019			**6,202,707**	**3,379,949**

- 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 and Vodafone – Panafon S.A. are related to interconnection fees and leased lines. At a Group level the revenue from the abovementioned entities also includes the revenues from the wholesale distribution to the latter of Forthnet Media's Pay TV "Novasports" branded channels. Furthermore, since July 2019 the purchases from Vodafone S.A. also include charges related to the preparation of the entity for the MVNO project.

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

Related Party	**Relation with the Group**	**Period / Year ended at**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2020	167,395	405,409
		31.12.2019	797,107	1,370,073
Vodafone S.A.	Shareholder	30.06.2020	209,327	518,741
		31.12.2019	245,214	769,387
Technology and Research Foundation	Shareholder	30.06.2020	20,494	-
		31.12.2019	24,611	813
Lumiere Productions A.E.	Shareholder	30.06.2020	-	-
		31.12.2019	-	6,378
ALPHA BANK SA	Shareholder	30.06.2020	149,296	-
		31.12.2019	150,392	15,985
NATIONAL BANK OF GREECE SA	Shareholder	30.06.2020	19,382	15
		31.12.2019	148,133	36,513
PIRAEUS BANK SA	Shareholder	30.06.2020	264,577	2,580
		31.12.2019	150,579	2,580
ATTICA BANK SA	Shareholder	30.06.2020	685	-
		31.12.2019	2,932	-
Vodafone Ltd.	Related Party	30.06.2020	243,473	172,611
		31.12.2019	293,749	348,027
Cablenet Ltd	Related Party	30.06.2020	1,560	1,900
		31.12.2019	3,180	-
Hellas Online	Related Party	30.06.2020	-	-
		31.12.2019	12	116
Telemedicine Technologies S.A.	Associate	30.06.2020	3,734	-
		31.12.2019	3,734	-
Athlonet A.E.	Associate	30.06.2020	4,239	4,239
		31.12.2019	4,239	4,239
Total 30.06.2020			**1,084,162**	**1,105,494**
Total 30.06.2019			**1,823,883**	**2,554,111**

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

Related Party	**Relation with the Company**	**Period ended at**	**Sales to related parties**	**Purchases from related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2020	463,598	1,574,986
		30.06.2019	449,067	1,213,766
Vodafone S.A.	Shareholder	30.06.2020	703,383	1,652,809

		30.06.2019	549,663	1,235,916
Technology and Research Foundation	Shareholder	30.06.2020	10,054	1,555
		30.06.2019	16,262	1,627
ALPHA BANK SA	Shareholder	30.06.2020	54,356	70,108
		30.06.2019	60,977	61,037
NATIONAL BANK OF GREECE SA	Shareholder	30.06.2020	6,341	60,608
		30.06.2019	7,692	49,286
PIRAEUS BANK SA	Shareholder	30.06.2020	342,645	-
		30.06.2019	353,955	71
ATTICA BANK SA	Shareholder	30.06.2020	19,533	-
		30.06.2019	19,538	-
Vodafone Ltd.	Related Party	30.06.2020	651,031	823,665
		30.06.2019	1,017,539	748,978
Cablenet Ltd	Related Party	30.06.2020	4,680	12,500
		30.06.2019	5,723	16,543
Forthnet Media S.A.	Subsidiary	30.06.2020	2,089,963	522,228
		30.06.2019	2,332,631	758,852
NetMed S.A.	Subsidiary	30.06.2020	76,491	-
		30.06.2019	71,743	1
Intervision Services BV	Subsidiary	30.06.2020	335	-
		30.06.2019	88,248	-
Total 30.06.2020			**4,422,409**	**4,718,459**
Total 30.06.2019			**4,973,038**	**4,086,077**

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

Related Party	**Relation with the Company**	**Period / Year ended at**	**Amounts owed by related parties**	**Amounts owed to related parties**
Wind Hellas Telecommunications S.A.	Shareholder	30.06.2020	167,395	401,696
		31.12.2019	797,107	1,366,335
Vodafone S.A.	Shareholder	30.06.2020	209,296	518,741
		31.12.2019	245,214	769,387
Technology and Research Foundation	Shareholder	30.06.2020	20,494	-
		31.12.2019	24,611	813
ALPHA BANK SA	Shareholder	30.06.2020	149,421	439
		31.12.2019	150,392	16,549
NATIONAL BANK OF GREECE SA	Shareholder	30.06.2020	17,435	15
		31.12.2019	146,338	36,514
PIRAEUS BANK SA	Shareholder	30.06.2020	264,577	2,580
		31.12.2019	150,810	2,580
ATTICA BANK SA	Shareholder	30.06.2020	685	-
		31.12.2019	2,932	-
Vodafone Ltd.	Related Party	30.06.2020	243,473	172,611
		31.12.2019	293,749	348,027
Cablenet Ltd	Related Party	30.06.2020	1,560	1,900
		31.12.2019	3,180	-
Telemedicine Technologies S.A.	Associate	30.06.2020	3,734	-
		31.12.2019	3,734	-
Άθλονετ Α.Ε.	Associate	30.06.2020	4,239	4,239
		31.12.2019	4,239	4,239
Forthnet Media S.A.	Subsidiary	30.06.2020	94,525,708	3,033,384
		30.06.2020 Provision for impairment	(94,525,708)	(3,033,384)
		31.12.2019	104,524,898	2,385,781

		31.12.2019 Provision for impairment	(104,524,898)	(2,385,781)
NetMed S.A.	Subsidiary	30.06.2020	1,065,791	-
		30.06.2020 Provision for impairment	(1,065,791)	-
		31.12.2019	970,943	-
		31.12.2019 Provision for impairment	(970,943)	-
Intervision Services BV	Subsidiary	30.06.2020	419,270	-
		30.06.2020 Provision for impairment	(419,270)	-
		31.12.2019	418,935	-
		31.12.2019 Provision for impairment	(418,935)	-
Total 30.06.2020			**1,082,310**	**1,102,221**
Total 30.06.2019			**1,822,308**	**2,544,443**

- Revenue and receivable from Forthnet Media A.E. mainly concern the supply of 3-Play bundled services recharged to the subsidiary by the parent 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. Receivable due from Forthnet Media S.A. also includes the payable due, related to cash collected by Forthnet's S.A. stores on behalf of its subsidiary.
- The Company's payable towards Forthnet Media S.A. is mainly related to invoicing of advertising expenses for bundled 3-Play services, rents, revenue of Nova energy scheme, postal services and equipment sales

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 had been initiated for the identification of a prospective investor as highlighted in Note 6; 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-subsidiaries 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.

As at June 30, 2020, the Company, reversed an amount of € 10.6 million from the existing provision of impairment of the receivable from its subsidiary, Forthnet Media S.A., with the reversal arising from the decrease in the aforementioned receivables, taking also into consideration that the impairment indicators have not changed compared to the prior year. The net receivable reduction is mainly provided partially by the cash receipt that took place during the reporting period (€ 4.2 million) which led to decreased receivables due from the subsidiary, as well as by the lack of payments related to amounts due to the subsidiary that led to increase of the corresponding payables by € 6.9 million as at June 30, 2020. The abovementioned conditions are a result of the increased cash available of the subsidiary which was created mainly by the extension of payments provided by the Greek Government (social security liabilities and other taxes) for companies highly affected by COVID-19.

Salaries and fees for the members of the Board of Directors and the General Managers of the Group as at June 30, 2020 and 2019 are analyzed as follows:

	The Group		The Company	
	01.01-30.6.2020	01.01-30.6.2019	01.01-30.6.2020	01.01-30.6.2019
Salaries and fees for executive members of the BoD	150,018	149,987	150,018	149,987
Salaries and fees for non-executive members of the BoD	109,787	110,435	109,787	110,435
Salaries and fees for senior managers	1,018,545	986,074	707,795	668,334
Total	**1,278,352**	**1,246,495**	**967,601**	**928,756**

Furthermore, benefits provided by the Group and the Company for the current fiscal year to members of the Board of Directors and Management relating to social security amounted to € 76,841 for the Group and € 56,300 for the Company respectively (June 30, 2019: € 76,606 for the Group and € 55,625 for the Company respectively).

24.Commitment and Contingencies

Contingencies

Litigation and Claims: The Group and the Company is currently involved in a number of legal proceedings and has various claims pending arising in the ordinary course of business. The Group and the Company have made appropriate provisions in relation to litigations and claims, when it is probable that an outflow of resources will be required to settle the obligations and it can be reasonably estimated. There are no significant developments with respect to the litigations and claims referred to the financial statements as of December 31, 2019.

Contingent liabilities

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 € 1.95 million for the Group and to approximately € 1.45 million for the Company at June 30, 2020 (December 31, 2019: approximately € 1.9 million for the Group and approximately € 1.4 million for the Company).

Guarantees: Letters of guarantee are issued and received by the Group to and from various beneficiaries and, as at June 30, 2020 and December 31, 2019 are analyzed as follows:

	The Group		The Company	
	30.6.2020	31.12.2019	30.6.2020	31.12.2019
Good execution of agreements	2,347,684	2,335,980	2,347,684	2,335,980
Participation in bids	1,484	6,839	1,484	6,839
Guarantees for advance payments received	5,187,500	6,337,892	187,500	1,337,892
Total	**7,536,668**	**8,680,711**	**2,536,668**	**3,680,711**

Contractual Commitments: The outstanding balance of the contractual commitments as at June 30, 2020 for the Group amounted to approximately € 94.2 million and for the Company amounted to approximately € 8.5 million (December 31, 2019: € 101.7 million and € 9.9 million, respectively).

In addition, the outstanding balance of the contractual commitments relating to the maintenance of international capacity telecommunication lines (OA&M charges), which have been acquired through long-term lease (IRU), amounted to approximately € 6.9 million at June 30, 2020 both for the Group and the Company (December 31, 2019: € 8.4 million both for the Group and the Company, respectively).

25. Financial Instruments and Financial Risk Management

Fair Value and fair value hierarchy of financial instruments

Fair Value: The carrying amounts reflected in the accompanying statements of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, trade and other accounts payable and accrued and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The Group's management believes that the fair value of floating rate loans approximate their carrying amounts reflected in the statements of financial position. The fair values of interest bearing long term borrowings of the Group and the Company that are determined based on the discounted cash flows method by using a discount rate which reflects the interest rate of the issuer at the reporting date and it also takes into account the own non-performance risk as of June 30, 2020, have considered as approximating their carrying values.

The Group categorised its financial instruments carried at fair value in three categories, defined as follows:

Level 1: Quoted market prices

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non-market observable)

For assets and liabilities recognized in the financial statements on a recurring basis, the Group determines if there have been transfers between hierarchy levels, through the re-evaluation and classification (based on the lower level data that are important for the measurement of fair value as a whole) at the end of each reporting period. The Group establishes policies and procedures for repeated measures (Derivatives).

At each reporting date, the Group analyzes the changes in value of liabilities subject to recalculation and revaluation in accordance with its accounting policies. For this analysis, management verifies the major inputs applied in the later assessment, confirming the data used in the valuation, through contracts and other relevant documents.

During the period ended June 30, 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at June 30, 2020 and December 31, 2019 the Group held the following financial instruments which are not measured at fair value. The following analysis of financial instruments is made merely for disclosure purposes. Also, it is estimated that the fair value of the below financial instruments approximates their carrying values as most of the financial liabilities are short-term, and as a result, the effect of discounting using the current market rate is not expected to be significant.

Fair Value - 30.06.2020	**The Group**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 20)	-	298,835,416	-	**298,835,416**
Long-term financial liability towards the Greek Government	-	4,591,724	-	**4,591,724**
Short-term financial liability towards the Greek Government	-	2,010,055	-	**2,010,055**
Long-term financial liability towards foreign creditor	-	7,128,645	-	**7,128,645**
Short-term financial liability towards foreign creditor	-	464,825	-	**464,825**
Total	**-**	**313,030,665**	**-**	**313,030,665**

Fair Value - 31.12.2019	**The Group**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 20)	-	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	**-**	**312,641,424**	**-**	**312,641,424**

As at June 30, 2020 and December 31, 2019 the Company held the following financial instruments which are not measured at fair value (the following analysis is made merely for disclosure purposes). Also, it is estimated that the fair value of the below financial instruments approximates their carrying values as most of the financial liabilities are short-term, and as a result, the effect of discounting using the current market rate is not expected to be significant.

Fair Value - 30.06.2020	**The Company**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 20)	-	122,296,954	-	**122,296,954**
Total	**-**	**122,296,954**	**-**	**122,296,954**

Fair Value - 31.12.2019	**The Company**			
	Level 1	**Level 2**	**Level 3**	**Total**
Long term loans (Note 20)	-	121,286,578	-	**121,286,578**
Total	**-**	**121,286,578**	**-**	**121,286,578**

Financial Risk Management

Credit Risk: Credit risk is the risk of financial loss to the Group and the Company if a counterparty fails to meet its contractual obligations. The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at June 30, 2020, in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the accompanying statements of financial position. The Group has no significant concentrations of credit risk with any single counter party.

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

Foreign Currency Risk: Foreign Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes . The Group is active internationally and is exposed to variations in foreign currency exchange rate which arises mainly from the US Dollar. This type of risk arises mainly from transactions in foreign currency. The Group's foreign exchange rates exposure varies within the year depending on the volume of the transactions in foreign exchange.

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

Capital Management: The risk of capital management is to ensure capital ratios in order to support business operation and maximize value for the benefit of shareholders. The ordinary General Meeting of shareholders has taken decisions for the further share capital increase of the Company, taking into consideration the progress and completion of the "Transaction" and its other parameters (reference note 6).

26.Subsequent Events

Based on the announcement made by the Company on 17.08.2020 and according to the Press Release posted to the European Commission's official website on 14.8.2020 the Commission approved, under the EU Merger Regulation, the proposed acquisition of the Company by United Group B.V.

Following the aforementioned developments and based on the announcements made by the Company on 02.09.2020 and 08.09.2020, the Company was informed by the Purchaser that the relevant regulatory conditions have been satisfied and the Parties proceeded to the closing of the Debt Acquisition Transaction on September 8th, 2020 as it has previously been planned and announced.

Following the above and based on the announcement made by the Company on 10.09.2020, the Purchaser – and, already bondholder - Newco United Group Hellas SARL, during the ongoing (17th) conversion period which expires on 30.09.2020, legally submitted on 09.09.2020 an irrevocable request for the conversion of 85,766,667 convertible bonds into Company shares. Following the exercise of the conversion right for 85,766,667 convertible bonds by the above bondholder, the Company's share capital increases by €25,730,000.10 with the issuance of 85,766,667 new ordinary registered shares, of a nominal value of €0.30 each (hereinafter the «New Shares »), according to the terms of the CBL program. The Company's Board of Directors, according to the Prospectus, by virtue of a respective decision shall certify the above share capital increase and shall proceed to any action necessary for the listing of the New Shares for trading in the ATHEX's Segment "Under Surveillance" and the delivery to the beneficiary according to the provisions of the ATHEX Regulation and the respective implementation decisions. Upon completion of the above procedures, the Company's share capital shall amount to seventy-seven million five hundred nine thousand eight hundred seventy euro and twenty cents (€77,509,870.20) and shall be divided into two hundred fifty-eight million three hundred sixty-six thousand two hundred thirty-four (258,366,234) ordinary registered shares, of a nominal value of €0.30 each.

Based on the above announcements, it is estimated that in the forthcoming period it is likely that the actions of the Purchaser will take place in the context of its (disclosed and already announced) commitment to "*assess all of the available alternatives for the recapitalization and substantial deleveraging of the Company through a comprehensive debt to equity conversion and the injection of new capital. These actions, if completed, are expected to eliminate the entire debt burden of the Company and provide to it significant additional capital resources that will ensure its financial stability, further profitable growth and ability to implement the Purchaser's strategic plan for the Company".*

There are no other significant events subsequent to June 30, 2020 which could influence materially the Group's and the Company's financial position.

Iraklio, 29 September 2020

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