



LOGICOM PUBLIC LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Period ended 30 September 2020

LOGICOM PUBLIC LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2020 to 30 September 2020

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BOARD OF DIRECTORS AND PROFESSIONAL ADVISERS**DIRECTORS**

Takis Klerides, Chairman
Varnavas Irinarchos, Vice Chairman and Managing Director
Nicos Michaelas, Director (until 13 October 2020)
George Papaioannou, Director
Anthoulis Papachristoforou, Deputy Managing Director
Anastasios Athanasiades, Director
Andreas Constantinides, Director
Christoforos Hadjikyprianou, Director

GROUP CHIEF FINANCIAL OFFICER

Anthoulis Papachristoforou

SECRETARY

Adaminco Secretarial Limited
 Zenonos Sozou 3,
 1st floor
 3105 Limassol

REGISTERED OFFICE

Zenonos Sozou 3,
 1st floor
 3105 Limassol

MANAGEMENT OFFICE

26 Stasinou Street, Ayia Paraskevi
 2003 Strovolos, Nicosia

INDEPENDENT AUDITORS

KPMG Limited
 14 Esperidon street
 1087 Nicosia

LEGAL ADVISERS

Scordis, Papapetrou & Co LLC
 Zenonos Sozou 3,
 1st floor
 3105 Limassol

BANKERS

Hellenic Bank Public Company Limited
 Bank of Cyprus Public Company Limited
 Ancoria Bank Limited
 Alpha Bank Cyprus Ltd
 AstroBank Limited
 Societe Generale Bank - Cyprus Limited
 The Cyprus Development Bank Public Company Limited
 FIMBank PLC

BANKERS

National Bank of Greece S.A
 Alpha Bank S.A.
 Piraeus Bank S.A.
 Eurobank Ergasias S.A.
 HSBC Bank Middle East Limited
 HSBC Bank Oman SAOG
 Standard Chartered Bank (UAE)
 National Bank of Fujairah PSC
 Mashreq Bank PSC
 Noor Bank PJSC
 Arab Bank PLC
 Emirates NBD Bank PJSC
 Standard Chartered Bank (Bahrain)
 The Commercial Bank of Qatar (Q.S.C.)
 Standard Chartered Bank (Qatar)
 Bank of Bahrain and Kuwait BSC
 National Bank of Kuwait SAK
 Bank of Beirut
 Marfin Bank (Romania) SA
 Banca Transilvania SA
 Alpha Bank Romania SA
 Banca Comerciala Romania SA
 Turkiye Garanti Bankasi A.S
 Yapi ve Kredi Bankasi AS
 QNB Finansbank A.S.
 Akbank TAS
 Arab Bank PLC Jordan
 Credito Valtellinese spa
 Banco BPM Societa per Azioni
 UniCredit Bank AG
 Saudi British Bank
 Bank Audi S.A.L
 Societe Generale de Banque au Liban
 Abu Dhabi Commercial Bank
 First Abu Dhabi Bank

LOGICOM PUBLIC LIMITED**STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE OFFICIALS OF THE
COMPANY RESPONSIBLE FOR THE FINANCIAL STATEMENTS**

According to the provisions of the Conditions for Transparency (Movable Securities for Trading in Controlled Market) Law of 2007 (“Law”), we the members of the Board of Directors and Anthoulis Papachristoforou, BA (Hons) FCCA, Group Financial Controller responsible for the preparation of the financial statements, of the Group and the Company Logicom Public Ltd, for the period ended 30 September 2020, we confirm that to the best of our knowledge:

(a) The Interim Consolidated Financial Statements which are presented on pages 8 to 51,

(i) were prepared in accordance with the International Financial Reporting Standard (IAS) 34 Interim Financial Statements. The Interim Consolidated Financial Statements have not been audited by the Group external auditors, and

(ii) give a true and fair view of the assets and liabilities, of the financial position and of the profit or losses of Logicom Public Limited and the businesses that are included in the Interim Consolidated Financial Statements as a whole, and

b) the management's report gives a fair review of the developments and the performance of the business as well as the position of Logicom Public Limited and the businesses that are included in the Interim Consolidated Financial Statements as a whole, together with a description of the main risks and uncertainties which are faced.

Members of the Board of Directors:

Takis Klerides, Chairman

Varnavas Irinarchos, Vice Chairman and Managing Director

George Papaioannou

Anthoulis Papachristoforou, Deputy Managing Director

Anastasios Athanasiades

Andreas Constantinides

Christoforos Hadjikyprianou

Responsible for drafting the financial statements

Anthoulis Papachristoforou (Group Chief Financial Officer)

Nicosia, 3 December 2020

LOGICOM PUBLIC LIMITED

BOARD OF DIRECTORS' INTERIM REPORT

ACCOUNTING STANDARDS FOR THE PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Interim Consolidated Financial Statements were prepared according to the International Accounting Standard (IAS) No. 34 Interim Financial Reporting. The Interim Consolidated Financial Statements have not been audited by the external Group auditors.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S ACTIVITIES AND POSITION

1. **The turnover** decreased by 7,9% in relation to the corresponding period in 2019. The Turnover of the Distribution Sector decreased by 8,3%, mainly due to the decreased sales in the markets of the Gulf region, Saudi Arabia, Lebanon and Jordan compared to the nine month period in 2019. The turnover of the Software and Integrated Solutions Sector also decreased by 1,5%. The turnover of the Group was adversely affected mainly by the spread of Coronavirus (COVID-19) and the consequences of the efforts to limit its spread to the economies of the countries in which the Group operates.
2. **The percentage of gross profit margin** increased significantly to 8,1% compared to 7,6% in the corresponding previous period (2020: Gross profit: €50.856.979 to Sales: €628.277.400, 2019: Gross profit: €52.027.176 to Sales: €681.866.663 as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income), mainly due to constant pursuit of achieving sales with increased profit margin.
3. **Other Income** increased mainly due to the taken one-off state provision of a deduction on the repayment of tax liabilities by a foreign subsidiary in the context of financial measures taken to address the economic consequences of the Coronavirus pandemic (COVID-19). The ordinary Other Income mainly relates to contributions from suppliers for the promotion of their products and income from collaborations with third parties.
4. **The Group's Expected Credit Losses** increased compared to the nine month period of 2019 and amounted to €1.553.356 from €375.873 in the corresponding period last year. Expected Credit Losses include a provision for impairment of receivables amounting to €353.356 compared to €375.873 in the corresponding period last year, as well as, a provision for Cash and Cash Equivalents amounting to €1.200.000 which derived entirely from the subsidiary company Logicom (Middle East) SAL in Lebanon, as a result of the prolonged political and economic instability that had a severe negative impact on the country. The Expected Credit Losses were recognised in the results in accordance with the provisions of IFRS9.
5. The decrease in **Administration Expenses** by €614.090 and in percentage terms 2,0%, compared to the nine month period of 2019, is mainly due to the decrease of personnel costs. The term 'Administration Expenses' encompasses all the operating expenses of the Group, including Administrative, Distribution and Operational expenses.
6. **The Profit from Operating Activities** decreased by 5,9% compared to the corresponding period of 2019 and amounts to €19.338.815 compared to €20.553.312 in the nine month period of 2019, mainly due to the decrease in turnover, despite the increase in gross profit margin, as well as, the increase of the Expected Credit Losses. The term 'Operating Activities' encompasses all the activities of the Group.
7. **The Net Bank Finance Cost**, including Interest Receivable and Payable, and related Bank Charges resulting from the banking facilities used for the execution of the Group's operations decreased to €4.214.881 compared to €6.220.166 during the corresponding period of 2019 and by 32,2%, in percentage terms, due to the decreased utilisation of the available bank facilities during the period, due to the reduction of the turnover, but also due to the gradual reduction of the borrowing interest rates in US Dollars.

LOGICOM PUBLIC LIMITED

BOARD OF DIRECTORS' INTERIM REPORT

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES *(continued)*

8. **The Foreign Exchange Difference** resulting from the exchange rate fluctuation between the US Dollar and the Euro, had a positive impact on the Group's Results amounting to a profit of €185.633 (nine month period of 2019 loss: €87.223). It is clarified that the provisions of IFRS 9 in relation to Hedge Accounting have been adopted, with the aim to reduce the effects of the exchange rate fluctuations between the US Dollar and the Euro in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

According to the directives of the IAS21, the decrease in the value of the Company's long term investments in its foreign subsidiaries, due to foreign exchange differences, amounting to €389.103, is transferred to the Reserves until the date of liquidation, where any result will be transferred in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

9. References to the **Profit from associates after tax** refer to the share of profit of €1.894.467 for the nine month period of 2020 compared to share of profit of €2.014.893 for the prior year corresponding period from the associated company Demetra Holdings Plc ('Demetra'). The financial results of Demetra include 21,01% of the results of Hellenic Bank Public Company Ltd ('Hellenic') in which Demetra acquired in 2019 a corresponding cumulative percentage of the shares and evaluated, based on the provisions of the International Financial Reporting Standards, that it exercises significant influence, which recognised the investment using the equity accounting method. As a result of the accounting treatment of Demetra's investment in Hellenic, a negative goodwill value of €119 million was recorded in the results of Demetra in 2019 which resulted in the share of profits from associated companies to be specifically high in the final results of 2019.

References to the **Profit from joint ventures and partnership, and to the Profit attributable to Non-controlling Interest** refer to the net operating profit of the investments in the Desalination Plants in Larnaca and Episkopi.

10. **The Profit attributable to the Company's shareholders** increased by 7,4% compared to the corresponding period of 2019, from €14.154.092 to €15.196.658, mainly due to the significant decrease of the net finance costs, compared to the nine month period of 2019.
11. **The Group's Cash and Cash Equivalent** compared to the bank overdrafts present a debit balance of €3.642.270 at the end of the nine month period of 2020 compared to a credit balance of €21.111.933 at the end of 2019. **The short term loans** decreased to €38.741.571 from €66.551.100. **The long term loans** decreased to €19.021.192 from €25.048.466.
12. Verendrya Ventures Limited, of which the Company holds 60% of its share capital, in a joint venture with a 50% share:
- Completed the construction of the Desalination plant in Episkopi based on the agreement with the Water Development Department dated 7 August 2009. As announced, as per the agreement dated 20 July 2011 Demetra Holdings Plc, participates indirectly to the execution and operation of the desalination project in Episkopi as a result of the indirect 40% share in Verendrya Ventures Limited. The construction of the project was completed in June 2012 and the desalination unit remained in stand by mode from 1 July 2012 until 27 April 2014. The desalination unit started production on the 28th of April 2014. As of today, claims are pending in regards to the execution of this contract.
 - On 26 January 2012, signed an agreement with the Water Development Department for the renovation and operation of the existing desalination unit in Larnaca. Demetra Holdings Plc participates indirectly in the implementation and operation of the desalination project in Larnaca with 40% share in Verendrya Ventures Limited. The renovation of the unit was completed in June 2015 and started operations on the 4th of July 2015. As of today, claims are pending in regards to the execution of this contract.
13. During the nine month period of 2020, the Turnover and the Profit from Operations are decreased. The significantly lower financing cost resulted in the increase of the Profit attributable to the Shareholders, in comparison with the corresponding period of 2019.
14. During the nine month period of 2020 there was not any income from non-recurring or extraordinary activities, other than that mentioned in note 3 above.

LOGICOM PUBLIC LIMITED**BOARD OF DIRECTORS' INTERIM REPORT****DEVELOPMENT AND PERFORMANCE OF THE GROUP'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES** *(continued)*

15. The economic performance measurement indicators used in the above report for the performance and position of the Group serve a better analysis and understanding of these results.
16. The results are within the estimations of the Board of Directors.

RISKS AND UNCERTAINTIES

The main risks consist of credit risk, interest rate risk, foreign exchange risk, liquidity risk, fair value risk and risk of capital management. These risks are analysed and the procedures of monitoring them are described in note 14 to the Interim Consolidated Financial Statements.

OPERATIONS OF THE COMPANY AND ITS SUBSIDIARY COMPANIES

During the nine month period of 2020, the Group continued the distribution of high technology products, the supply of services and integrated information technology, telecommunication and software solutions, and the participation in large infrastructure projects in the water sector.

IMPACT OF THE CORONAVIRUS PANDEMIC AND FORESEEABLE DEVELOPMENT OF THE COMPANY

The slowdown in the growth of the global economy, which is further exacerbated with the escalation of the Coronavirus Pandemic (COVID-19) with consequent effects on the production, combined with geopolitical developments, as well as, the observed instability in areas in which the Group operates, in 2020, have affected the activities of the Group, and have led to a reduction in turnover.

The Coronavirus pandemic, the restrictive measures implemented by the Governments of the countries in which the Group operates and the slowdown of the already aggravated economic climate, as well as, the negative and prolonged impact on the supply chain, resulted in the reduction of the Group's turnover.

The Management of the Group, evaluating the challenges and the possible effects, proceeded to take counter-effect measures to limit the operating expenses and to protect the employees. With the cooperation of the vendors and banks, the safeguarding of liquidity was achieved and, at the same time, the support to the customers and business associates of the Group.

During the nine month period of 2020, despite the decrease in the turnover and the consequences of the pandemic, the profitability of the Group from the ordinary activities (excluding the share of profit/loss from associated company and partnerships) increased compared to the corresponding period of last year. Bank borrowings have decreased and liquidity has improved, and, in line with the decrease of the bank interest rates, borrowing costs have decreased significantly.

The Management of the Group is closely monitoring the developments, in order to maintain and strengthen growth prospects without affecting the viability and strong financial position of the Group. The resurgence of the pandemic, which is globally observed, is expected to deteriorate the already strained economies of the countries in which the Group operates. The measures to restrict movement and to ensure the smooth running of the operations of the Group's companies may cause a further reduction in turnover, but they are not expected to significantly affect the profitability and sound financial position of the Group.

RESEARCH AND DEVELOPMENT ACTIVITIES

There were no significant activities in the sector of research and development from the Group's companies.

LOGICOM PUBLIC LIMITED**BOARD OF DIRECTORS' INTERIM REPORT****RELATED PARTIES TRANSACTIONS AND BALANCES**

The related parties' transactions and balances are analysed in the notes 19 and 20.

FOREIGN OPERATIONS - BRANCHES

The Group operates through subsidiary companies in United Arab Emirates, Saudi Arabia, Lebanon, Jordan, Greece, Italy, Romania, Germany, Qatar, Kuwait, Oman and Bahrain. The Group operates a branch in Malta.

USE OF FINANCIAL INSTRUMENTS

The derivative financial instruments of the Group and the Company relate to foreign exchange hedging products to hedge the risk of fluctuations in foreign currencies. The Group's and the Company's management follow a policy to minimize the risk arising from the fluctuation in foreign exchange differences, as stated in the significant accounting policies.

The loss arising from the change in the fair value of derivative financial instruments for the period, that was recognised in the Group's results amounted to €771.353 (nine month period 2019, profit: €1.125.068).

SHARE CAPITAL

There was no change in the issued share capital of the company during the nine month period of 2020.

All shares are listed and traded in the Cyprus Stock Exchange, have the same and equal rights and have no limitations in their transfer. Detailed information in relation to the Company's share capital is presented in note 11.

COMPOSITION, SEGRAGATION OF DUTIES AND REIMBURSEMENT OF THE BOARD OF DIRECTORS - SHARE CAPITAL PARTICIPATION - REELECTION

The members of the Board of Directors as at 30 September 2020 and at the date of the present report are presented on page 2.

The percentages of participation in the Company's share capital that was held directly or indirectly by the members of the Board of Directors of the Company on 30 September 2020 and on 3 December 2020 are presented in notes 15 and 16 to the Interim Consolidated Financial Statements.

The remuneration of the executive directors is presented in note 17 to the Interim Consolidated Financial Statements.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The significant events after the reporting date that have a bearing on the understanding of the Interim Consolidated Financial Statements are presented in note 21.

LOGICOM PUBLIC LIMITED**BOARD OF DIRECTORS' INTERIM REPORT****PUBLICATION**

1. The Interim Financial Report will not be sent to the shareholders but the Consolidated Statement of Profit or loss and Other Comprehensive Income will be published in the newspapers 'Politis' on 05/12/2020, 'o Phileleftheros' and 'i Simerini' on 06/12/2020 and 'i Kathimerini' on 09/12/2020.
2. The whole content of the Interim Financial Report, is available, free of charge, from the Registered Office of the Company (Zenonos Sozou 3, 1st Floor, 3105 Limassol. P.O Box : 51094,3501 Limassol. Tel.: +357 25 818444, Fax: +357 25 372282, E mail: (log@adamides.com) and from the Head Offices of the Company (Stasinou 26, Agia Paraskevi, 2003 Strovolos, Nicosia. P.O. Box.: 23472, 1683 Nicosia. Tel.: +357 22 551000, Fax: +357 22 514294) and it is uploaded in the Company's websites (www.logicom.net) and of the Cyprus Stock Exchange(www.cse.com.cy).

THE BOARD OF DIRECTORS

3 December 2020

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period ended 30 September 2020

		Period ended 30 September 2020	Period ended 30 September 2019	Year ended 31 December 2019
		€	€	€
	Note			
Revenue		628.277.400	681.866.663	946.797.978
Cost of sales		<u>(577.420.421)</u>	<u>(629.839.487)</u>	<u>(875.437.919)</u>
Gross profit		50.856.979	52.027.176	71.360.059
Other income		729.835	210.742	1.051.035
Expected credit losses	14.1	(1.553.356)	(375.873)	(535.970)
Administrative expenses		(30.694.643)	(31.308.733)	(41.230.338)
Other expenses		-	-	<u>(34.376)</u>
Profit from operations		19.338.815	20.553.312	30.610.410
Net foreign exchange profit/(loss)		185.633	(87.223)	(313.338)
Interest receivable		471.137	404.181	537.784
Interest payable and bank charges		<u>(4.686.018)</u>	<u>(6.624.347)</u>	<u>(8.472.749)</u>
Net finance costs		(4.029.248)	(6.307.389)	(8.248.303)
Share of profit from associated companies after tax	9	1.894.467	2.014.893	39.789.625
Share of (loss)/profit from joint ventures after tax	9	<u>(149.674)</u>	<u>82.053</u>	<u>31.627</u>
Profit before tax		17.054.360	16.342.869	62.183.359
Tax		<u>(1.917.629)</u>	<u>(2.153.122)</u>	<u>(3.508.446)</u>
Profit for the period/year		<u>15.136.731</u>	<u>14.189.747</u>	<u>58.674.913</u>
Other comprehensive income that will not to be reclassified to profit or loss in future periods				
Surplus from revaluation of land and buildings		-	-	1.794.232
(Decrease)/Increase from revaluation of investments at fair value through other comprehensive income		(1.509.849)	214.101	213.099
Deferred taxation arising on revaluation of land and buildings		(129.590)	2.669	(172.787)
Adjustment on remeasurement of obligation		-	-	(483.103)
Deferred taxation arising from the remeasurement of obligation		-	-	<u>(1.704)</u>
		<u>(1.639.439)</u>	<u>216.770</u>	<u>1.349.737</u>
Other comprehensive income that will be reclassified to profit or loss in future periods				
Exchange difference from translation and consolidation of financial statements from foreign operations		(1.712.219)	2.697.034	3.619.382
Exchange difference in relation to hedge of a net investment in a foreign operation		1.441.522	(1.799.821)	(671.698)
Share of loss from associated company	9	<u>(174.249)</u>	-	<u>(64.907)</u>
		<u>(444.946)</u>	<u>897.213</u>	<u>2.882.777</u>
Other comprehensive (expense)/income for the period/year		<u>(2.084.385)</u>	<u>1.113.983</u>	<u>4.232.514</u>
Total comprehensive income for the period/year		<u>13.052.346</u>	<u>15.303.730</u>	<u>62.907.427</u>
Profit for the period/year attributable to:				
Company's shareholders		15.196.658	14.154.902	58.683.217
Non-controlling interest		<u>(59.927)</u>	<u>34.845</u>	<u>(8.304)</u>
Profit for the period/year		<u>15.136.731</u>	<u>14.189.747</u>	<u>58.674.913</u>
Total comprehensive income for the period/year attributable to:				
Company's shareholders		13.112.273	15.268.885	62.915.731
Non-controlling interest		<u>(59.927)</u>	<u>34.845</u>	<u>(8.304)</u>
Total comprehensive income		<u>13.052.346</u>	<u>15.303.730</u>	<u>62.907.427</u>
Basic earnings per share (cent)	5	<u>20,51</u>	<u>19,11</u>	<u>79,22</u>
Diluted earnings per share (cent)	5	<u>20,51</u>	<u>19,11</u>	<u>79,22</u>

The notes on pages 13 to 51 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONAs at 30 September 2020

	Note	30 September 2020 €	31 December 2019 €
ASSETS			
Property, plant and equipment	6	22.420.498	23.086.797
Right-of-use assets	7	5.606.358	6.644.304
Intangible assets and goodwill		9.199.393	9.391.507
Investments in associated companies and joint ventures	9	78.788.492	77.003.779
Investments at fair value through other comprehensive income		3.353.783	3.862.832
Trade and other receivables		22.510.193	22.416.171
Deferred taxation		<u>2.159.479</u>	<u>1.944.689</u>
Total non-current assets		<u>144.038.196</u>	<u>144.350.079</u>
Inventories		50.234.636	67.969.900
Trade and other receivables		236.041.061	211.413.123
Investments at fair value through profit or loss		19.284	19.284
Current tax assets		1.270.045	855.102
Cash and cash equivalents	10	<u>38.899.119</u>	<u>29.761.787</u>
Total current assets		<u>326.464.145</u>	<u>310.019.196</u>
Total assets		<u>470.502.341</u>	<u>454.369.275</u>
Equity			
Share capital	11	25.187.064	25.187.064
Reserves		<u>147.599.109</u>	<u>138.191.563</u>
Equity attributable to shareholders of the company		172.786.173	163.378.627
Non-controlling interest		<u>(2.483.181)</u>	<u>(2.423.254)</u>
Total equity		<u>170.302.992</u>	<u>160.955.373</u>
Liabilities			
Long-term loans	12	14.580.808	16.758.647
Obligations under finance leases		4.452.853	5.399.600
Trade and other payables		11.632.472	11.441.699
Deferred taxation		486.178	486.683
Provision for other liabilities and termination of employment		<u>3.168.517</u>	<u>3.090.779</u>
Total non-current liabilities		<u>34.320.828</u>	<u>37.177.408</u>
Trade and other payables		183.092.331	126.756.223
Bank overdrafts	12	35.256.849	50.873.720
Short term loans	12	38.741.571	66.551.100
Current portion of long-term loans	12	4.440.384	8.289.819
Obligations under finance leases		1.164.517	1.187.701
Promissory notes		694.989	130.549
Derivative financial instruments		1.380.006	946.831
Current tax liabilities		1.107.505	1.460.282
Provision for other liabilities and termination of employment		<u>369</u>	<u>40.269</u>
Total current liabilities		<u>265.878.521</u>	<u>256.236.494</u>
Total liabilities		<u>300.199.349</u>	<u>293.413.902</u>
Total equity and liabilities		<u>470.502.341</u>	<u>454.369.275</u>

The notes on pages 13 to 51 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 September 2020

	Share capital	Share Premium Reserve	Revaluation Reserve	Difference arising on the conversion the share capital to Euro	Hedge reserve	Statutory reserve	Translation reserve	Retained earnings	Total	Non-controlling interest	Total
	€	€	€	€	€	€	€	€	€	€	€
Balance at 1 January 2019	25.187.064	10.443.375	4.764.386	116.818	(9.019.199)	1.872.251	(4.271.676)	76.193.168	105.286.187	(1.989.007)	103.297.180
Profit for the period	-	-	-	-	-	-	-	14.154.902	14.154.902	34.845	14.189.747
Other comprehensive income	-	-	2.669	-	(1.799.821)	-	2.697.034	214.101	1.113.983	-	1.113.983
<i>Transactions with owners recognized directly in equity</i>											
Proposed dividend for 2018 that was paid in 2019	-	-	-	-	-	-	-	(5.185.572)	(5.185.572)	-	(5.185.572)
<i>Other movements</i>											
Transfer to retained earnings	-	-	-	-	-	1.071	-	(1.071)	-	-	-
Balance at 30 September 2019	<u>25.187.064</u>	<u>10.443.375</u>	<u>4.767.055</u>	<u>116.818</u>	<u>(10.819.020)</u>	<u>1.873.322</u>	<u>(1.574.642)</u>	<u>85.375.528</u>	<u>115.369.500</u>	<u>(1.954.162)</u>	<u>113.415.338</u>
Balance at 1 January 2020	25.187.064	10.443.375	6.385.831	116.818	(9.690.897)	2.435.557	(652.294)	129.153.173	163.378.627	(2.423.254)	160.955.373
Profit for the period	-	-	-	-	-	-	-	15.196.658	15.196.658	(59.927)	15.136.731
Other comprehensive income	-	-	(129.590)	-	1.441.522	-	(1.712.219)	(1.684.098)	(2.084.385)	-	(2.084.385)
<i>Transactions with owners recognized directly in equity</i>											
Proposed dividend for 2019 that was paid in 2020	-	-	-	-	-	-	-	(3.703.980)	(3.703.980)	-	(3.703.980)
Share of other transactions with owners from an associated company	-	-	-	-	-	-	-	(747)	(747)	-	(747)
<i>Other movements</i>											
Transfer to retained earnings	-	-	-	-	-	139.396	-	(139.396)	-	-	-
Balance at 30 September 2020	<u>25.187.064</u>	<u>10.443.375</u>	<u>6.256.241</u>	<u>116.818</u>	<u>(8.249.375)</u>	<u>2.574.953</u>	<u>(2.364.513)</u>	<u>138.821.610</u>	<u>172.786.173</u>	<u>(2.483.181)</u>	<u>170.302.992</u>

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the period of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the shareholders at the end of the period of the two years from the end of the year of assessment to which profits refer are Cyprus tax residents and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

Retained earnings is the only reserve that is available for distribution

The notes on pages 13 to 51 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED CASH FLOW STATEMENT
Period ended 30 September 2020

	Period ended 30 September 2020	Period ended 30 September 2019
Note	€	€
Cash flows from operations		
Profit for the period /year	15.136.731	14.189.747
Adjustments for:		
Exchange differences	(2.130.921)	(187.225)
Depreciation	6 1.010.362	978.061
Depreciation on leased property, plant and equipment	6 182.200	227.801
Depreciation on right of use assets	7 1.197.348	1.136.049
Interest payable	3.922.077	6.060.948
Interest receivable	(471.137)	(404.181)
Expected credit losses	1.553.356	375.873
Provision for the decrease in the value of inventories	208.728	228.737
Share of profit from investments in associated companies	9 (1.894.467)	(2.014.893)
Share of loss /(profit) from joint ventures	149.674	(82.053)
Change in fair value of derivative financial instruments	771.353	(1.125.068)
Profit from the disposal of property, plant and equipment	(17.181)	(17.454)
Amortisation of research and development	180.419	183.797
Charge to profit or loss for provisions for other liabilities and termination of employment	380.869	371.432
Taxation	<u>1.917.629</u>	<u>2.153.122</u>
	22.097.040	22.074.693
Decrease/(increase) in inventories	17.526.536	(1.695.830)
Increase in trade and other receivables	(25.075.316)	(3.813.659)
Increase in trade and other payables	56.526.881	15.742.889
Increase/(Decrease) in promissory notes	<u>564.440</u>	<u>(1.221.892)</u>
	71.639.581	31.086.201
Interest paid	(3.676.827)	(6.060.948)
Taxation paid	<u>(2.687.245)</u>	<u>(2.829.224)</u>
Net cash flows from operations	<u>65.275.509</u>	<u>22.196.029</u>
Cash flows used in investing activities		
Proceeds from disposal of property, plant and equipment	932.664	318.161
Payments to acquire investments at fair value through other comprehensive income	(1.000.800)	(3.434.818)
Increase/(decrease) in provisions	37.838	(1.804)
Payments to acquire property, plant and equipment	6 (1.651.598)	(909.214)
Interest received	<u>471.137</u>	<u>404.181</u>
Net cash flows used in investing activities	<u>(1.210.759)</u>	<u>(3.623.494)</u>
Net cash flow (used in)/from financing activities		
Proceeds from issue of new loans	73.651.236	97.673.526
Repayment of loans	(107.488.039)	(96.497.561)
Repayments of obligations under finance leases	(1.431.586)	(629.449)
Dividends paid	(3.703.980)	(5.185.572)
(Payments)/ proceeds from derivative financial instruments	<u>(338.178)</u>	<u>(7.784)</u>
Net cash flows used in financing activities	<u>(39.310.547)</u>	<u>(4.646.840)</u>
Net flow in cash and cash equivalents	24.754.203	13.925.695
Cash and cash equivalents at beginning of the period	<u>(21.111.933)</u>	<u>(18.318.669)</u>
Cash and cash equivalents at end of the period	10 <u><u>3.642.270</u></u>	<u><u>(4.392.974)</u></u>

The notes on pages 13 to 51 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITIONAs at 30 September 2020

	Note	30 September 2020 €	31 December 2019 €
ASSETS			
Property, plant and equipment	6	4.501.000	5.027.232
Right of use assets	7	498.299	586.229
Investments in subsidiary companies	8	53.707.037	53.707.037
Long-term loans to subsidiary companies	19	28.793.222	29.048.640
Deferred taxation		<u>879.276</u>	<u>879.277</u>
Total non-current assets		<u>88.378.834</u>	<u>89.248.415</u>
Inventories		786.041	1.789.537
Trade and other receivables		15.757.628	20.397.039
Receivables from subsidiary companies	19	18.896.217	37.921.188
Investments at fair value through profit or loss		9.594	9.594
Cash and cash equivalents	10	<u>4.655.118</u>	<u>2.141.917</u>
Total current assets		<u>40.104.598</u>	<u>62.259.275</u>
Total assets		<u>128.483.432</u>	<u>151.507.690</u>
Equity			
Share capital	11	25.187.064	25.187.064
Reserves		<u>13.167.490</u>	<u>17.753.639</u>
Total equity		<u>38.354.554</u>	<u>42.940.703</u>
Liabilities			
Long-term loans	12	9.184.777	10.899.978
Obligations under finance leases		412.396	490.218
Deferred taxation		<u>484.273</u>	<u>484.273</u>
Total non-current liabilities		<u>10.081.446</u>	<u>11.874.469</u>
Trade and other payables		25.861.093	22.459.410
Bank overdrafts	12	24.058.418	30.258.843
Short term loans	12	24.257.555	36.333.646
Current portion of long-term loans	12	3.654.200	6.490.353
Obligations under finance leases		105.570	108.440
Promissory notes		694.989	130.549
Derivative financial instruments		1.412.308	908.251
Current tax liabilities		<u>3.299</u>	<u>3.026</u>
Total current liabilities		<u>80.047.432</u>	<u>96.692.518</u>
Total liabilities		<u>90.128.878</u>	<u>108.566.987</u>
Total equity and liabilities		<u>128.483.432</u>	<u>151.507.690</u>

The notes on pages 13 to 51 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Period ended 30 September 2020

1. UNAUDITED FINANCIAL STATEMENTS

The interim consolidated financial statements for the nine months ended on 30 September 2020 and 30 September 2019 respectively, have not been audited by the external auditors of the Company.

2. EFFECT OF CORONAVIRUS (COVID-19)

The interim financial statements include amounts that have been directly affected by the Coronavirus pandemic (COVID-19) and are analysed below:

Turnover

During the nine month period of 2020, the Group's turnover showed a decrease of 7,9%. This reduction cannot be attributed solely to the pandemic and its consequences, nor can the degree of its impact be determined.

Other Income

Other income includes an amount of €312.337 which relates to a discount for advance payment of tax liability in Greece in the context of the measures announced by the Greek Government to restrain the negative effects of the pandemic on businesses.

During the period of implementation of the restrictive measures against the spread of the pandemic by the governments of the countries in which the Group operates, subsidiaries receive support packages whose value is not significant.

Expected credit losses

Expected credit losses include a provision for impairment of receivables amounting to €353.356 that were affected by the deterioration of the economic climate in the countries in which the Group operates, as well as a provision for impairment of Cash and cash equivalents of €1.200.000 which derived entirely from the subsidiary company Logicom (Middle East) SAL in Lebanon, as a result of the prolonged political and economic instability that had a severe impact on the country. The provisions of the expected credit losses are not attributed to the pandemic, but have been affected by the consequences of the efforts to limit its spread.

Administrative Expenses

The Management of the Group has taken action to reduce operating expenses during the period, which are expected to have a positive effect on the results in the near future. As a result of the pandemic, administrative expenses have increased by €256.088 from expenditures on prevention and hygiene measures.

There were no significant differences in finance leases to the extent that they affected the value of the right-of-use assets, lease liabilities and related depreciation.

Finance costs

As part of the efforts to restrain the financial impact and especially on cash flows, from the pandemic, agreements were reached to extend the terms of payment with trade suppliers and respectively, facilities were granted to Group's customers.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements, which are presented in Euro, have been prepared in accordance with the International Financial Reporting Standards, including IAS 34 "Interim Financial Reporting".

The accounting policies used in the preparation of the interim financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2019. During the current period, the Group assesses the effect of the new and revised International Financial Reporting Standards (IFRSs) and Interpretations that refer to accounting periods beginning on or after 1 January 2020, on the consolidated financial statements. The new standards and interpretations that are relevant to the Group operations will be adopted in accordance with the relevant IFRSs guidelines.

LOGICOM PUBLIC LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Period ended 30 September 2020

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The results are presented in Euro. Transactions in foreign currencies are translated using the exchange rates prevailing at the date of the transaction. Amounts receivable and payable denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of the Statement of Financial Position and the Foreign currency differences arising on translation are recognised in the Statement of Profit or Loss and Other Comprehensive Income. From 1st of January 2006 and according to the latest amendment of IAS 21, all exchange differences arising from the translation of long term loans granted to foreign subsidiaries are transferred to the Exchange Differences Reserve in the financial statements of the Group irrespective of the currency in which the loan has been granted.

The Company has chosen to implement the provisions of IFRS 9 for the hedging of the foreign exchange risk. According to the provisions of IFRS 9, the net investments in foreign operations can be defined as 'hedged item' and the long term bank borrowings, of a corresponding value, denominated in the same currency as the net investments, which is different from the parent Company's functional currency, can be defined as 'hedging instrument', resulting to the hedging of exchange differences arising from the translation of net investments and long term bank borrowings, in the consolidated financial statements of the parent Company with its subsidiaries, and their transfer to the Hedge Reserve in the Group's financial statements, provided that the hedging is considered 'effective'.

The Taxation has been calculated on the taxable profits for the period based on the Company's dividend policy and the applicable tax legislation.

4. OPERATING SEGMENTS

The Group can be divided in to two important segments, the distribution segment and the services segment. The distribution segment that mainly operates in the distribution of high technology products is divided in three main geographical segments as described below. The services segment operates mainly in the provision of solutions and services for networks and telecommunications and the provision of solutions and services for software for customers in Cyprus and abroad. The following summary describes the operations in each of the Group's Reportable Segments:

- European markets distribution segment – This segment operates mainly in the distribution of high technology products in Cyprus, Greece and Italy.
- UAE and Saudi Arabia distribution segment – This segment operates mainly in the distribution of high technology products in United Arab Emirates and Saudi Arabia.
- Other markets distribution segment – This segment operates mainly in the distribution of high technology products and the production of computers in other countries that the Group operates in, other than the countries mentioned above.
- Services segment – This segment operates in the provision of solutions and services for networks and telecommunications and the provision of solutions and services for software for customers in Cyprus and abroad.

Information regarding the results of each reportable segment is presented below. The information is used for the preparation of the consolidated and separate financial statements. The performance is evaluated based on the profit before taxation of each segment, as presented in management reports which are examined by the Board of Directors. The profit of each segment is used for the evaluation of the performance since the management believes that this information is the most appropriate for the evaluation of the results of all segments that are reported. The accounting policies of the operating segments are presented in note 3.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

4. OPERATING SEGMENTS (continued)

Revenue and total non-current assets are allocated between Cyprus, Greece, United Arab Emirates and other countries are as follows:

	Revenue		Total non-current assets	
	Period ended 30 September 2020 €	Period ended 30 September 2019 €	30 September 2020 €	31 December 2019 €
Cyprus	71.391.536	67.669.839	132.926.653	132.283.529
Greece	69.136.007	70.994.838	1.465.090	1.248.624
United Arab Emirates	196.459.808	234.669.559	5.459.742	5.957.664
Other Foreign Countries	<u>291.290.049</u>	<u>308.532.427</u>	<u>4.186.711</u>	<u>4.860.262</u>
	<u>628.277.400</u>	<u>681.866.663</u>	<u>144.038.196</u>	<u>144.350.079</u>

Period ended 30 September 2020	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segments €	Transactions between operating segments €	Total €
Revenue from third parties	<u>127.191.853</u>	<u>399.450.588</u>	<u>58.653.613</u>	<u>42.981.346</u>	-	<u>628.277.400</u>
Intersegment revenue	<u>25.284.945</u>	<u>102.989.906</u>	<u>667.699</u>	<u>1.217.751</u>	<u>(130.160.301)</u>	-
Other income	4.162.480	66.960	43.528	2.969.867	(6.513.000)	729.835
Depreciation and amortisation	711.670	843.657	450.895	381.907	-	2.388.129
Personnel costs	5.382.507	8.598.489	2.289.953	3.783.217	-	20.054.166
Travelling expenses	153.166	80.915	14.832	35.382	-	284.295
Expected credit losses	79.387	214.199	1.233.723	26.048	-	1.553.357
Professional fees	1.038.931	361.962	124.670	164.655	-	1.690.218
Rent	3.166	180.887	89.004	16.478	-	289.535
Credit insurance	430.643	754.160	49.482	68.942	-	1.303.227
Transportation expenses	<u>435.772</u>	<u>875.502</u>	<u>80.032</u>	<u>2.130</u>	-	<u>1.393.436</u>
Profit from operations	<u>3.826.579</u>	<u>13.365.215</u>	<u>(463.791)</u>	<u>7.700.124</u>	<u>(5.089.312)</u>	<u>19.338.815</u>
Net foreign exchange profit/(loss)	1.232.176	(100.628)	(185.252)	295.450	(1.056.113)	185.633
Interest receivable	11.077	34.361	423.796	1.903	-	471.137
Interest payable and bank charges	<u>(2.863.232)</u>	<u>(1.863.013)</u>	<u>(936.410)</u>	<u>(239.370)</u>	<u>1.216.007</u>	<u>(4.686.018)</u>
Net finance costs	<u>(1.619.979)</u>	<u>(1.929.280)</u>	<u>(697.866)</u>	<u>57.983</u>	<u>159.894</u>	<u>(4.029.248)</u>
Share of profit from associated companies after tax	-	-	-	1.894.467	-	1.894.467
Share of profit from joint ventures	-	-	(149.674)	-	-	(149.674)
Profit before tax	<u>(1.660.605)</u>	<u>6.634.104</u>	<u>(357.901)</u>	<u>3.994.056</u>	<u>8.444.706</u>	<u>17.054.360</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

4. OPERATING SEGMENTS (continued)

Period ended 30 September 2019	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segments €	Transactions between operating segments €	Total €
Revenue from third parties	127.451.088	449.653.754	61.136.833	43.624.988	-	681.866.663
Intersegment revenue	23.433.069	107.041.051	149.321	2.760.656	(133.384.097)	-
Other income	81.711	14.469	96.384	18.178	-	210.742
Depreciation and amortisation	585.192	877.270	467.463	367.982	-	2.297.907
Personnel costs	5.507.582	9.060.519	2.545.464	3.781.853	-	20.895.418
Travelling expenses	353.395	164.999	34.518	90.372	-	643.284
Expected credit losses	(159)	276.034	146.112	(46.114)	-	375.873
Professional fees	892.674	264.291	397.026	165.041	-	1.719.032
Rent	2.960	188.798	45.220	9.380	-	246.358
Credit insurance	309.933	765.667	84.547	67.992	(480.000)	748.139
Transportation expenses	401.154	833.279	75.386	3.983	-	1.313.802
Profit from operations	403.360	15.087.573	415.531	5.583.991	(937.143)	20.553.312
Net foreign exchange profit/(loss)	(677.500)	18.840	(790.384)	(84.560)	1.446.381	(87.223)
Interest receivable	3.050	-	385.965	15.166	-	404.181
Interest payable and bank charges	(3.841.997)	(2.974.910)	(884.183)	(208.023)	1.284.766	(6.624.347)
Net finance costs	(4.516.447)	(2.956.070)	(1.288.602)	(277.417)	2.731.147	(6.307.389)
Share of profit from associated companies after tax	-	-	-	2.014.893	-	2.014.893
Share of profit from joint ventures	-	-	82.053	-	-	82.053
Profit before tax	(2.691.881)	8.380.359	(98.657)	7.168.606	3.584.442	16.342.869

5. EARNINGS PER SHARE

THE GROUP

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to the shareholders of the parent Company, the weighted average number of issued shares and the weighted average number of issued shares as adjusted for the effect of the warrants during the period as follows:

	Period ended 30 September 2020	Period ended 30 September 2019
Earnings attributable to shareholders (€)	<u>15.196.658</u>	<u>14.154.902</u>
Weighted average number of issued shares during the period	<u>74.079.600</u>	<u>74.079.600</u>
Basic earnings per share (cent)	<u>20,51</u>	<u>19,11</u>
Diluted weighted average number of shares	<u>74.079.600</u>	<u>74.079.600</u>
Diluted earnings per share (cent)	<u>20,51</u>	<u>19,11</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

6. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings €	Computers €	Furniture and fittings €	Motor vehicles €	Total €
Acquisition cost or revaluation					
Balance at 1 January 2019	17.853.850	7.361.222	4.119.196	1.616.123	30.950.391
Additions for the period	868.577	1.811.921	166.412	215.010	3.061.920
Disposals for the period	(326.000)	(994.653)	(718.379)	(269.687)	(2.308.719)
Adjustment on revaluation	887.830	-	-	-	887.830
Impairment charge	-	(140.267)	-	-	(140.267)
Exchange differences	112.877	39.420	23.878	8.881	185.056
Balance at 31 December 2019	19.397.134	8.077.643	3.591.107	1.570.327	32.636.211
Balance at 1 January 2020	19.397.134	8.077.643	3.591.107	1.570.327	32.636.211
Additions for the period	219.056	1.169.082	100.419	163.041	1.651.598
Disposals for the period	-	(1.329.984)	(152.729)	(62.983)	(1.545.696)
Exchange differences	(194.701)	(93.759)	(73.732)	(23.133)	(385.325)
Balance at 30 September 2020	19.421.489	7.822.982	3.465.065	1.647.252	32.356.788
Depreciation					
Balance at 1 January 2019	959.376	5.607.138	2.697.658	1.253.574	10.517.746
Charge for the year	363.272	769.115	314.036	144.456	1.590.879
Disposals	(50.976)	(887.357)	(448.461)	(228.959)	(1.615.753)
Exchange differences	11.459	32.420	16.672	8.284	68.835
Adjustment on revaluation	(906.402)	-	-	-	(906.402)
Impairment charge	-	(105.891)	-	-	(105.891)
Balance at 31 December 2019	376.729	5.415.425	2.579.905	1.177.355	9.549.414
Balance at 1 January 2020	376.729	5.415.425	2.579.905	1.177.355	9.549.414
Charge for the period	268.031	595.597	223.408	105.526	1.192.562
Disposals for the period	-	(446.243)	(120.987)	(62.983)	(630.213)
Exchange differences	(17.287)	(81.163)	(55.805)	(21.218)	(175.473)
Balance at 30 September 2020	627.473	5.483.616	2.626.521	1.198.680	9.936.290
Net book value					
Balance at 30 September 2020	18.794.016	2.339.366	838.544	448.572	22.420.498
Balance at 1 January 2020	19.020.405	2.662.218	1.011.202	392.972	23.086.797

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

6. PROPERTY, PLANT AND EQUIPMENT (continued)

THE COMPANY	Land and buildings €	Computers €	Furniture and fittings €	Motor vehicles €	Total €
Acquisition cost or revaluation					
Balance at 1 January 2019	3.743.000	1.963.402	632.164	575.463	6.914.029
Additions for the period	-	1.110.830	24.491	19.169	1.154.490
Disposals for the period	(326.000)	(662.996)	(379.283)	(111.000)	(1.479.279)
Adjustment on revaluation	25.111	-	-	-	25.111
Balance at 31 December 2019	<u>3.442.111</u>	<u>2.411.236</u>	<u>277.372</u>	<u>483.632</u>	<u>6.614.351</u>
Balance at 1 January 2020	3.442.111	2.411.236	277.372	483.632	6.614.351
Additions for the period	-	702.656	13.719	41.471	757.846
Disposals for the period	-	(884.978)	-	(39.121)	(924.099)
Balance at 30 September 2020	<u>3.442.111</u>	<u>2.228.914</u>	<u>291.091</u>	<u>485.982</u>	<u>6.448.098</u>
Depreciation					
Balance at 1 January 2019	210.143	1.414.234	540.246	362.091	2.526.714
Charge for the year	97.447	239.051	27.587	61.898	425.983
Disposals	(50.976)	(586.320)	(382.853)	(89.442)	(1.109.591)
Adjustment on revaluation	(255.987)	-	-	-	(255.987)
Balance at 31 December 2019	<u>627</u>	<u>1.066.965</u>	<u>184.980</u>	<u>334.547</u>	<u>1.587.119</u>
Balance at 1 January 2020	627	1.066.965	184.980	334.547	1.587.119
Charge for the period	100.841	232.462	19.968	47.606	400.877
Disposals for the period	-	(1.777)	-	(39.121)	(40.898)
Balance at 30 September 2020	<u>101.468</u>	<u>1.297.650</u>	<u>204.948</u>	<u>343.032</u>	<u>1.947.098</u>
Net book value					
Balance at 30 September 2020	<u>3.340.643</u>	<u>931.264</u>	<u>86.143</u>	<u>142.950</u>	<u>4.501.000</u>
Balance at 1 January 2020	<u>3.441.484</u>	<u>1.344.271</u>	<u>92.392</u>	<u>149.085</u>	<u>5.027.232</u>

Approximately every three years, or earlier if required, revaluations are prepared to estimate the fair values of land and buildings.

The revaluations were made on the basis of the comparable valuation method for the computation of the market value, with the cost of construction method for the market value of the building under consideration as well as on the basis of future prospects of the properties under consideration. Revaluations are made by independent professional valuers.

On 9 February 2018, the company Najada Holdings Limited, a subsidiary company of Logicom Public Limited, acquired all the interests of the immovable property Parcel 1878 Sheet/Plan 30/06E2, area 16 decares and 147 sq.m, at Strovolos Municipality in Nicosia ('The Property'). The purchase price amounted to €8.125.000. The decision for the acquisition of the Property was taken taking into consideration the present and future premises needs of the Group as well as the opportunities for its commercial development and exploitation.

On 31 December 2019, the property was revalued with a revaluation surplus of €2.100.000.

On land and buildings, borrowing costs, as well as, professional and legal costs for the design and licensing of the building of Najada Holdings Ltd under construction, have been capitalised, with a total cost of €1.048.500. The cost of the building under construction is not depreciated.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The real right to rent in the Larnaca Free Trade Zone as well as the privately owned buildings with an initial purchase cost of €130.178 and with subsequent additions at a cost of €29.672 were sold in 2019 for €330.000. The listed value at the date of the sale was €289.017.

The land and buildings of Logicom Public Limited were revalued on 31 December 2019 and the surplus from revaluation amounted to €281.098.

The subsidiary company Logicom FZE acquired land in the Free Trade Zone Area in Jebel Ali. The land is leased under an operating lease for 10 years from the 1 August 2007 with an option for renewal. During the year, the subsidiary proceeded with the construction of an office building and a warehouse in the land. The annual lease payment is €154.090. The land and buildings were revalued on 31 December 2019 and the revaluation loss amounted to €610.844.

The land and buildings of Logicom Jordan LLC were revalued on 31 December 2019 and the revaluation surplus amounted to €23.978.

As at 30 September 2020 the Group's management estimates that the book value of buildings of Logicom (Middle East) SAL in Lebanon is not significantly different from their fair value which amounts to €200.777.

Land and buildings are classified as Level 3 for the calculation of their fair value, where the valuation technique is performed by independent qualified appraisers using a variety of valuation methods and assumptions based mainly on the market situation at each valuation date.

The main property of the Group included in the Land and Buildings category are presented below:

Type of property	Assessment method	Non observable data	Data fluctuation range	30 September 2020 €	31 December 2019 €
Land and buildings	Comparative method	Sale price per sq.m.	€500/sq.m. - €1.700/sq.m.	2.835.000	2.835.000
Land	Comparative method	Sale price per sq.m.	€1.000/sq.m.	602.000	602.000
Land	Comparative method	Sale price per sq.m.	€300/sq.m. - €800/sq.m.	10.225.000	10.225.000
Buildings	Comparative method	Transfer price per sq.m.	USD 1.720 (€1.532)/sq.m.	<u>3.507.404</u>	<u>3.507.404</u>

Sensitivity of data: The fair value will increase/(decrease) if the sale price or transfer price per sq.m. increases/(decreases).

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

7. RIGHT-OF-USE ASSETS

THE GROUP

	Right of use land €	Right of use buildings and warehouse €	Right of use motor vehicles €	Total €
Acquisition cost				
Balance at 1 January 2019	1.892.023	5.070.456	234.114	7.196.593
Additions for the period	-	748.382	95.786	844.168
Exchange differences	36.378	18.100	(1.585)	52.893
Balance at 31 December 2019	<u>1.928.401</u>	<u>5.836.938</u>	<u>328.315</u>	<u>8.093.654</u>
Period ended 30 September 2020				
Balance at 1 January 2020	1.928.401	5.836.938	328.315	8.093.654
Additions for the period	-	44.121	215.704	259.825
Disposals for the period	-	-	-	-
Exchange differences	(78.072)	(69.819)	(4.921)	(152.812)
Balance at 30 September 2020	<u>1.850.329</u>	<u>5.811.240</u>	<u>539.098</u>	<u>8.200.667</u>
Depreciation				
Balance at 1 January 2019	-	-	-	-
Charge for the year	96.756	1.254.317	101.661	1.452.734
Exchange differences	(336)	(2.665)	(383)	(3.384)
Balance at 31 December 2019	<u>96.420</u>	<u>1.251.652</u>	<u>101.278</u>	<u>1.449.350</u>
Period ended 30 September 2020				
Balance at 1 January 2020	96.420	1.251.652	101.278	1.449.350
Charge for the period	72.213	1.012.961	112.174	1.197.348
Exchange differences	(6.728)	(43.032)	(2.629)	(52.389)
Balance at 30 September 2020	<u>161.905</u>	<u>2.221.581</u>	<u>210.823</u>	<u>2.594.309</u>
Net book value				
Balance at 30 September 2020	<u>1.688.424</u>	<u>3.589.659</u>	<u>328.275</u>	<u>5.606.358</u>
Balance at 1 January 2020	<u>1.831.981</u>	<u>4.585.286</u>	<u>227.037</u>	<u>6.644.304</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 20207. **RIGHT-OF-USE ASSETS** *(continued)***THE COMPANY**

	Right of use buildings and warehouse €
Acquisition cost	
Balance at 1 January 2019	<u>703.475</u>
Balance at 31 December 2019	<u>703.475</u>
Period ended 30 September 2020	
Balance at 1 January 2020	703.475
Balance at 30 September 2020	<u>703.475</u>
Depreciation	
Balance at 1 January 2019	-
Charge for the year	117.246
Disposals for the period	-
Exchange differences	-
Impairment charge	<u>-</u>
Balance at 31 December 2019	<u>117.246</u>
Period ended 30 September 2020	
Balance at 1 January 2020	117.246
Charge for the period	<u>87.930</u>
Balance at 30 September 2020	<u>205.176</u>
Net book value	
Balance at 30 September 2020	<u><u>498.299</u></u>
Balance at 1 January 2020	<u><u>586.229</u></u>

The Group and the Company adopted IFRS 16 'Leases' on 1 January 2019. On transition to IFRS 16 the Group recognised right of use assets and lease liabilities relating to leases of land, buildings, warehouses and vehicles.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**8. INVESTMENTS IN SUBSIDIARIES**

The Company has the following investments in subsidiary companies:

Company	Country of incorporation	30 September 2020 Holding %	31 December 2019 Holding %	30 September 2020 €	31 December 2019 €
Logicom (Overseas) Limited	Cyprus	100	100	-	-
Logicom (Middle East) SAL	Lebanon	100	100	375.820	375.820
ENET Solutions Logicom S.A.	Greece	100	100	1.205.400	1.205.400
Logicom FZE	United Arab Emirates	100	100	18.693.825	18.693.825
Logicom Trading & Distribution LLC	Qatar	100	100	46.313	46.313
Logicom Jordan LLC	Jordan	100	100	78.372	78.372
Logicom Italia s.r.l.	Italy	100	100	3.569.544	3.569.544
Rehab Technologies Limited	Saudi Arabia	100	100	-	-
Logicom Information Technology Distribution s.r.l.	Romania	100	100	2.200.063	2.200.063
Logicom Bulgaria EOOD	Bulgaria	100	100	-	-
Logicom Services Ltd	Cyprus	100	100	24.010.000	24.010.000
Verendrya Ventures Ltd	Cyprus	60	60	600	600
Logicom Distribution Germany GmbH	Germany	100	100	27.000	27.000
Cadmus Tech Points S.A.L	Lebanon	100	100	-	-
Najada Holdings Limited	Cyprus	100	100	3.500.100	3.500.100
				<u>53.707.037</u>	<u>53.707.037</u>

The value of the investments as listed above consists of the share capital and the contribution from the parent company to its subsidiaries.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of Logicom Solutions Ltd in Cyprus with share capital of €11.115.

The Company owns indirectly, through the subsidiary companies Enet Solutions Logicom S.A. and Logicom FZE, 100% of Logicom IT Distribution Ltd in Turkey with share capital of €11.343.372.

The Company owns indirectly, through the subsidiary company Verendrya Ventures Limited, the 60% of the subsidiary Netcom Limited in Cyprus with share capital €17.100.

The Company owns indirectly, through the subsidiary company Logicom FZE, 100% of the subsidiary, Logicom Saudi Arabia LLC in Saudi Arabia with share capital of €4.960.896.

The Company owns indirectly, through the subsidiary company Logicom FZE, 100% of the subsidiary, Logicom Dubai LLC in United Arab Emirates, with share capital of €92.129

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of Newcytech Business Solutions Ltd in Cyprus with share capital of €756.776.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of Newcytech Distribution Ltd in Cyprus with share capital of €8.550.

LOGICOM PUBLIC LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Period ended 30 September 2020****8. INVESTMENTS IN SUBSIDIARIES** *(continued)*

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of the subsidiary in United Arab Emirates, Logicom Solutions LLC with share capital of €56.589.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of the subsidiary in Greece, ICT Logicom Solutions SA with share capital of €100.000.

The Company owns indirectly, through subsidiaries Logicom FZE and Logicom Dubai LLC 100% of Logicom LLC in Oman, with share capital of €41.086.

The Company owns indirectly, through subsidiary Logicom FZE 100% of Logicom Kuwait for Computer Company W.L.L. in Kuwait, with share capital of €50.997.

The Company owns indirectly, through its subsidiary Logicom FZE, the 100% of Logicom Bahrain W.L.L. in Bahrain, with share capital of €11.676.

The Company owns indirectly through its subsidiary Logicom FZE and Logicom (Overseas) Limited 100% of Logicom Egypt LLC in Egypt, with share capital of €56.

The Company owns indirectly through its subsidiaries Logicom FZE and Logicom Egypt LLC 100% of Logicom Distribution Egypt LLC in Egypt, with share capital of €105.700.

As at 31 December 2019, the Company made an impairment assessment on the value of the investments in subsidiary companies by comparing the net asset value of each investment with the carrying amount as stated in the Company's books. There was no indication for impairment in the value of the investments in subsidiaries, except for Logicom Information Technology Distribution s.r.l, Logicom (Middle East) SAL, and Logicom Italia s.r.l, according to the comparison mentioned above. The value of the investment in Logicom IT Distribution Ltd was fully impaired in 2018. The value of the investment in Logicom (Middle East) SAL has been impaired by €1.150.000 in 2019. The value of the investments in the companies Logicom Information Technology Distribution s.r.l. and Logicom Italia srl were not impaired based on the calculation of the expected future cash flows of these companies for the years 2020 - 2022 divided by the weighted average cost of capital that was calculated at 7,65%, with growth rate to perpetuity of 2% and based on the fact that the discounted future cash flows exceed the value of these investments. Impairments on the values of the investments are presented in the Statement of Profit or Loss.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

8. INVESTMENTS IN SUBSIDIARIES *(continued)*

The following table presents the dates of acquisition, the nominal values and the number of shares of the main subsidiary companies:

Company	Date of acquisition/ incorporation	Nominal Value	Number of shares
Logicom (Overseas) Limited	01/01/1999	EUR 1,71	10.000
Logicom Solutions Limited	01/01/2000	EUR 1,71	6.500
Netcom Limited	27/04/2000	EUR 1,71	10.000
Logicom (Middle East) SAL	25/07/2000	LBP 15.000	20.000
ENET Solutions Logicom S.A.	21/02/2001	EUR 2,94	410.000
Logicom Jordan LLC	07/08/2001	JOD 1	50.000
Logicom FZE	03/10/2001	AED 1Million	1
Logicom Dubai LLC	07/11/2001	AED 100	3.000
Logicom Italia s.r.l.	14/06/2005	EUR 10.000	1
Logicom IT Distribution Limited	01/12/2005	YTL 25	920.000
Rehab Technologies Limited	01/08/2006	SAR 500	1.000
Logicom Information Technology Distribution s.r.l.	19/03/2007	RON 200	1
Logicom Bulgaria EOOD	12/04/2007	BGN 20.000	1
Verendrya Ventures Ltd	30/01/2009	EUR 1	1.000
Logicom Services Ltd	06/05/2009	EUR 1	10.000
Enet Solutions LLC	16/08/2009	AED 1.000	300
ICT Logicom Solutions SA	03/11/2009	EUR 1	100.000
Logicom Saudi Arabia LLC	29/09/2009	SAR 10	2.680.000
Newcytech Business Solutions Ltd	30/10/2009	EUR 1,71	442.559
Newcytech Distribution Ltd	30/10/2009	EUR 1,71	5.000
Logicom Distribution Germany GmbH	29/09/2010	EUR 1	25.000
Logicom LLC	02/09/2012	OMR 1	20.000
Cadmus Tech Points S.A.L	01/10/2013	LBP10.000	3.000
Logicom Kuwait for Computer Company W.L.L	13/03/2014	KWD200	100
Logicom Trading & Distribution LLC	23/03/2014	QAR1.000	200
Najada Holdings Limited	23/05/2017	EUR 1	100
Logicom Bahrain W.L.L	06/09/2018	BD50	100
Logicom Egypt LLC	07/11/2019	LE10	100
Logicom Distribution Egypt LLC	02/09/2020	LE10	200.000

9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

The Group participates in the consortium M.N Limassol Water Co. Limited and M.N. E.P.C Water Co. (partnership) with 50% holding through its subsidiary company Verendrya Ventures Limited. The above consortiums have undertaken the construction and operation of the desalination plant in Episkopi.

During 2012, the Group has also acquired a 50% holding through its subsidiary company Verendrya Ventures Limited, in the joint venture M.N Larnaca Desalination Co. Limited for the renovation and operation of the existing desalination unit in Larnaca.

On 15 March 2018, the Group increased its total shareholding held in Demetra Holdings Plc to 29,62%, resulting in significant influence.

The Group recognizes the above investments using the equity method.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

THE GROUP

	Period ended				
	30 September	31 December			
	2020	2019			
	€	€			
M.N. Limassol Water Co. Ltd	747.742	682.501			
M.N. E.P.C Water Co.	-	-			
M.N. Larnaca Desalination Co. Ltd	-	-			
Demetra Holdings Plc	<u>78.040.750</u>	<u>76.321.278</u>			
	<u>78.788.492</u>	<u>77.003.779</u>			
	M.N. Larnaca Desalination Co. Ltd	M.N. E.P.C Water Co.	M.N. Limassol Water Co. Ltd	Demetra Holdings Plc	Demetra Investments Public Limited
	€	€	€	€	€
Balance at 1 January 2020	-	-	682.501	76.321.278	77.003.779
Reclassification of loss from investments in joint ventures after tax	81.948	550			82.498
Share of profit/(loss) from investments in joint ventures	(81.948)	(550)	65.241	-	(17.257)
Exchange differences	-	-	-	-	-
Net share of profit from associated companies after tax	-	-	-	1.894.467	1.894.467
Share of loss through other comprehensive income	-	-	-	(174.249)	(174.249)
Share of other transactions with the owners	-	-	-	(746)	(746)
Balance at 30 September 2020	<u>-</u>	<u>-</u>	<u>747.742</u>	<u>78.040.750</u>	<u>78.788.492</u>
	M.N. Larnaca Desalination Co. Ltd	M.N. E.P.C Water Co.	M.N. Limassol Water Co. Ltd	Demetra Holdings Plc	Demetra Investments Public Limited
	€	€	€	€	€
Balance at 1 January 2019	-	-	796.289	36.660.224	37.456.513
Dividend	-	-	(419.160)	-	(419.160)
Reclassification of loss from investments in joint ventures after tax	273.249	496			273.745
Share of profit/(loss) from investments in joint ventures after tax	(273.249)	(496)	305.372	-	31.627
Net share of profit from associated companies after tax	-	-	-	39.789.625	39.789.625
Share of loss through other comprehensive income	-	-	-	(64.907)	(64.907)
Share of other transactions with the owners	-	-	-	(63.664)	(63.664)
Balance at 31 December 2019	<u>-</u>	<u>-</u>	<u>682.501</u>	<u>76.321.278</u>	<u>77.003.779</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES** *(continued)*

According to the Bank Loan Agreement between M.N. Limassol Water Co. Ltd and Hellenic Bank Public Limited (ex. Cyprus Cooperative Bank), a restriction with regards to the dividend distribution exists if any of the below applies:

- Based on the instructions issued by the Water Development Department, the production of the desalinated water is restricted below the minimum quantities as specified in the contract.
- The Water Development Department instructs the company to operate in a stand by mode.
- The economic position or the future cash flows of the company are not in a position to warrant the distribution of dividends.

Regarding the investment in the desalination unit of Larnaca, M.N. Larnaca Desalination Co's Limited management has prepared its financial statements for the year ended 31 December 2019 using estimates, assumptions and evidence that include the legal opinion in relation to the validity of claims in favour and against the company and an opinion from its consultants in respect of the level of compensation that the company is expected to be entitled to. Judgement has also been applied in the allocation of the expected compensation in the financial model of the company between financial and intangible asset. In accordance with the provisions of the paragraph 92 of IAS 37 'Provisions, contingent liabilities and contingent assets' no further information is disclosed in relation to the subject matter on the grounds that it may prejudice the position of the company in a dispute with other parties.

The desalination unit of M.N Limassol Water Co. Limited has been instructed to restrict the production to 50% of the agreed one from 8 March 2019 and then operate in stand by mode from 10 October 2019.

Significant aggregate amounts in respect of Investments in equity-accounted investees:

<u>Period ended 30 September 2020</u>	M.N. Larnaca			
	Desalination Co. Ltd	M.N. Limassol Water Co. Ltd	M.N. E.P.C Water Co.	Total
Percentage	50%	50%	50%	
Reporting Date	30/09/2020	30/09/2020	30/09/2020	
	€	€	€	€
Non-current assets	17.959.814	35.612.958	-	53.572.772
Current assets	5.986.516	8.606.192	2.712	14.595.420
Total assets	23.946.330	44.219.150	2.712	68.168.192
Current liabilities	(35.974.554)	(7.794.118)	(31.879)	(43.800.551)
Non-current liabilities	-	(35.554.348)	-	(35.554.348)
Total liabilities	(35.974.554)	(43.348.466)	(31.879)	(79.354.899)
Net Assets	(12.028.224)	870.684	(29.167)	(11.186.707)
Revenue	5.689.157	5.770.320	-	11.459.477
Expenses	(6.117.846)	(5.639.839)	(1.140)	(11.758.825)
(Loss)/profit	(428.689)	130.481	(1.140)	(299.348)
Group's share in net assets	(6.014.112)	435.342	(14.584)	(5.593.354)
Group's share in (loss)/profit	(214.345)	65.241	(570)	(149.674)

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

2019	M.N. Larnaca			Total
	Desalination Co. Ltd	M.N. Limassol Water Co. Ltd	M.N. E.P.C Water Co.	
Percentage Reporting Date	50% 31/12/2019	50% 31/12/2019	50% 31/12/2019	
	€	€	€	€
Non-current assets	18.444.236	36.632.486	-	55.076.722
Current assets	6.475.500	10.271.340	2.563	16.749.403
Total assets	24.919.736	46.903.826	2.563	71.826.125
Current liabilities	(1.277.039)	(7.440.493)	(1.000)	(8.718.532)
Non-current liabilities	(35.242.228)	(38.723.127)	(29.589)	(73.994.944)
Total liabilities	(36.519.267)	(46.163.620)	(30.589)	(82.713.476)
Net Assets	(11.599.531)	740.206	(28.026)	(10.887.351)
Revenue	13.153.652	12.548.388	-	25.702.040
Expenses	(13.700.149)	(11.937.645)	(992)	(25.638.786)
(Loss)/profit	(546.497)	610.743	(992)	63.254
Group's share in net assets	(5.799.766)	370.103	(14.013)	(5.443.676)
Group's share in (loss)/profit	(273.249)	305.372	(496)	31.627

The following table summarises the investment in the associated company Demetra Holdings Plc:

Reporting date	30/09/2020	31/12/2019
Percentage	29,62%	29,62%
	€	€
Non-current assets	253.437.146	244.852.155
Current assets	22.407.584	26.314.704
Total assets	275.844.730	271.166.859
Current liabilities	(5.115.739)	(3.596.630)
Non-current liabilities	(7.255.831)	(9.902.172)
Total liabilities	(12.371.570)	(13.498.802)
Net assets	263.473.160	257.668.057
Revenue	10.080.421	137.338.454
Expenses	(3.684.517)	(3.004.812)
Profit	6.395.904	134.333.642
Group's share in net assets	78.040.750	76.321.278
Group's share in profit for the period	1.894.467	39.789.625

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES** *(continued)*

During the year 2019 Demetra Holdings Plc (the "company") acquired additional 66.771.716 shares in Hellenic Bank Public Company Limited (the "Bank"), thus increasing the total number of shares held to 86.725.772 which corresponds to 21,01% of the Bank's share capital. After examining the provisions of the International Financial Reporting Standards, the Management of the Company decided that the group Demetra Holdings Plc exercises significant influence on the Bank commencing on 28 August 2018. Therefore, the company conducted an exercise to calculate the fair value of the Bank's identifiable assets and liabilities. For practical purposes and as permitted by the International Financial Reporting Standards, the fair value was calculated on 30 September 2019, a date that is considered to be close to the date that the company acquired significant influence over the Bank, and given that there were no significant intervening events during the period from 28 August 2019 until 30 September 2019. The fair value of the company's share in the Bank amounted to €195.474.939 compared to the total acquisition cost of the shares, €75.624.873, and resulted in a negative goodwill of €119.850.066 that was written off in the results of Demetra Holdings Plc.

10. CASH AND CASH EQUIVALENTS**THE GROUP**

	30 September 2020 €	31 December 2019 €
Cash in hand	64.272	45.145
Current accounts with banks	<u>38.834.847</u>	<u>29.716.642</u>
	<u><u>38.899.119</u></u>	<u><u>29.761.787</u></u>

THE COMPANY

	30 September 2020 €	31 December 2019 €
Cash in hand	34.007	26.919
Current accounts with banks	<u>4.621.111</u>	<u>2.114.998</u>
	<u><u>4.655.118</u></u>	<u><u>2.141.917</u></u>

The Cash and cash equivalents of the Group are presented after the provision for impairment of €1.200.000 that derived entirely from the subsidiary company Logicom (Middle East) SAL in Lebanon, as a result of the prolonged political and economic instability in the country.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**10. CASH AND CASH EQUIVALENTS** *(continued)*

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

THE GROUP

	30 September 2020 €	31 December 2019 €
Cash at bank and in hand	38.899.119	29.761.787
Bank overdrafts (Note 12)	<u>(35.256.849)</u>	<u>(50.873.720)</u>
	<u>3.642.270</u>	<u>(21.111.933)</u>

THE COMPANY

	30 September 2020 €	31 December 2019 €
Cash at bank and in hand	4.655.118	2.141.917
Bank overdrafts (Note 12)	<u>(24.058.418)</u>	<u>(30.258.843)</u>
	<u>(19.403.300)</u>	<u>(28.116.926)</u>

11. SHARE CAPITAL

	30 September 2020 Number of shares	30 September 2020 €	31 December 2019 Number of shares	31 December 2019 €
Authorised				
Ordinary shares of €0,34 each	<u>100.000.000</u>	<u>34.000.000</u>	<u>100.000.000</u>	<u>34.000.000</u>
Issued and fully paid				
Balance at 1 January	<u>74.079.600</u>	<u>25.187.064</u>	<u>74.079.600</u>	<u>25.187.064</u>
Balance at 30 September 2020\31 December 2019	<u>74.079.600</u>	<u>25.187.064</u>	<u>74.079.600</u>	<u>25.187.064</u>

12. LOANS AND BANK OVERDRAFTS**THE GROUP**

	30 September 2020 €	31 December 2019 €
Long-term loans	19.021.192	25.048.466
Short term loans	38.741.571	66.551.100
Bank overdrafts (Note 10)	<u>35.256.849</u>	<u>50.873.720</u>
	<u>93.019.612</u>	<u>142.473.286</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**12. LOANS AND BANK OVERDRAFTS** *(continued)*

The long-term loans of the Group are repayable as follows:

THE GROUP

	30 September 2020	31 December 2019
	€	€
Within one year	4.440.384	8.289.819
Between two and five years	<u>14.580.808</u>	<u>16.758.647</u>
	<u>19.021.192</u>	<u>25.048.466</u>

THE COMPANY

	30 September 2020	31 December 2019
	€	€
Long-term loans	12.838.977	17.390.331
Short term loans	24.257.555	36.333.646
Bank overdrafts (Note 10)	<u>24.058.418</u>	<u>30.258.843</u>
	<u>61.154.950</u>	<u>83.982.820</u>

The long term loans of the Company are repayable as follows:

THE COMPANY

	30 September 2020	31 December 2019
	€	€
Within one year	3.654.200	6.490.353
Between two and five years	<u>9.184.777</u>	<u>10.899.978</u>
	<u>12.838.977</u>	<u>17.390.331</u>

13. FAIR VALUES

Management believes that the fair values of the financial assets and liabilities of the Group and the Company are approximately equal to the amounts shown in the books at the end of the period.

14. RISK MANAGEMENT

The main financial assets held by the Group and the Company are cash and cash equivalents, investments and trade and other receivables. The main financial liabilities of the Group and the Company are bank overdrafts and loans and trade and other payables. The Group and the Company are exposed to the following risks from their financial assets and liabilities.

14.1 Credit risk

Credit risk is the risk of default by counter parties to transactions mainly from trade receivables of the Group and the Company. The Group and the Company ensure the application of appropriate mechanisms and ensure the maintenance of related monitoring procedures and controls over credits. Credit risk is monitored on an ongoing basis.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**14. RISK MANAGEMENT** *(continued)***14.1 Credit risk** *(continued)*

The Group entered into an agreement with Atradius Credit Insurance N.V. ('Insurance Company') for the credit insurance that the Group offers to its customers. The issuance of such insurance agreement is considered to be the most appropriate method for hedging against credit risk. The insurance company was evaluated in March 2020 by the rating agency Moody's as A2 with negative prospects. The Group also signed an agreement in March 2020 for additional insurance on top of the credit limits provided by Atradius with Cooper Gay SA.

The insurance agreements for the trade receivables and the procedures required by these agreements, have improved significantly the monitoring and control of trade receivables, mainly in the approval of credit limits, which is done in cooperation with the credit insurance company that has the resources for a better evaluation of the credibility of each debtor. It should be noted that the credit insurance covers all trade receivables other than governmental or semi-governmental organizations as well as natural persons.

The burden on the economies of the countries in which the Group operates as a result of the Coronavirus pandemic has increased the levels of credit risk. The Management of the Group, taking into account the possible effects of the pandemic on the credit risk, reviewed the assumptions and estimates used to calculate the expected credit losses and in particular the macroeconomic impact factor.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer.

The Group establishes an allowance for impairment which represents its assessment of incurred losses in respect of trade and other receivables. The main components of this allowance relate to specific provisions for significant separately identified amounts and general provisions in relation to groups of similar assets for losses that have been incurred but have not yet recognised.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

THE GROUP

	30 September 2020	31 December 2019
	€	€
Investments at fair value through other comprehensive income	3.353.783	3.862.832
Investments at fair value through profit or loss	19.284	19.284
Receivables from associated companies and joint ventures	22.330.515	22.161.599
Trade and other receivables	217.369.775	208.886.364
Cash and cash equivalents	<u>38.834.847</u>	<u>29.716.642</u>
	<u>281.908.204</u>	<u>264.646.721</u>

THE COMPANY

	30 September 2020	31 December 2019
	€	€
Financial assets at fair value through profit or loss	9.594	9.594
Long-term loans to subsidiary companies	28.793.222	29.048.640
Trade and other receivables	15.757.628	20.372.390
Cash and cash equivalents	4.655.118	2.114.998
Balances with subsidiary companies	<u>18.896.217</u>	<u>37.921.188</u>
	<u>68.111.779</u>	<u>89.466.810</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

14. RISK MANAGEMENT (continued)

14.1 Credit risk (continued)

The maximum exposure of the Group to credit risk, for trade receivables by geographic region, is as follows:

THE GROUP

	30 September 2020	31 December 2019
	€	€
Europe	59.687.045	66.245.780
Middle East	157.682.730	136.852.140
	<u>217.369.775</u>	<u>203.097.920</u>

THE COMPANY

	30 September 2020	31 December 2019
	€	€
Europe	8.247.126	10.480.638
Middle East	-	-
	<u>8.247.126</u>	<u>10.480.638</u>

In accordance with the above analysis 27% of the Group's trade receivables (2019: €33%) originates from Europe. 73% (2019: €67%) of the Group's trade receivables originates from the Middle East.

The ageing of the remaining trade receivables is as follows:

THE GROUP

	30 September 2020	31 December 2019
	€	€
0 until 90 days	203.065.588	192.162.913
91 until 180 days	7.615.118	5.795.437
more than 180 days	6.689.069	5.139.570
	<u>217.369.775</u>	<u>203.097.920</u>

THE COMPANY

	30 September 2020	31 December 2019
	€	€
0 until 90 days	7.694.085	10.059.487
91 until 180 days	243.521	141.813
more than 180 days	309.520	279.338
	<u>8.247.126</u>	<u>10.480.638</u>

The ageing of the balances of the subsidiary companies in the Company's books is as follows:

THE COMPANY

	30 September 2020	31 December 2019
	€	€
0 until 180 days	18.896.217	37.921.188
more than 180 days	28.793.222	29.048.640
	<u>47.689.439</u>	<u>66.969.828</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**14. RISK MANAGEMENT** *(continued)***14.1 Credit risk** *(continued)*

The provision for doubtful debts for the year shows a minor increase in relation to the corresponding provision in 2019. The Management of the Group estimates that the credit insurance has reduced significantly the risk for doubtful debts. The provision for doubtful debts is analysed as follows:

THE GROUP

	30 September 2020	31 December 2019
	€	€
At 1 January	3.653.877	3.312.677
Impairment loss on trade receivables	353.356	535.970
Exchange differences	<u>(177.279)</u>	<u>(194.770)</u>
At 30 September\31 December	<u><u>3.829.954</u></u>	<u><u>3.653.877</u></u>

THE COMPANY

	30 September 2020	31 December 2019
	€	€
At 1 January	116.082	120.133
Provision for doubtful debts	6.000	-
Decrease in provision for bad debts	<u>-</u>	<u>(4.051)</u>
At 30 September\31 December	<u><u>122.082</u></u>	<u><u>116.082</u></u>

The Group estimates that the fair value of trade and other receivables is not significantly different from the carrying value in the financial statements, as the average repayment period of trade and other receivables is less than 6 months.

Expected credit losses

The expected credit losses of the Group are as follows:

	30 September 2020	30 September 2019
Impairment loss on trade receivables	353.356	375.873
Impairment loss on deposits	<u>1.200.000</u>	<u>-</u>
	<u><u>1.553.356</u></u>	<u><u>375.873</u></u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

14. RISK MANAGEMENT (continued)*14.1 Credit risk* (continued)

The following table provides information about the exposure to credit risk and the expected credit losses for trade and other receivables.

THE GROUP

	Weighted-aver age loss rate 30/09/2020 %	Gross carrying amount 30/09/2020 €	Impairment loss allowance 30/09/2020 €	Weighted-aver age loss rate 31/12/2019 %	Gross carrying amount 31/12/2019 €	Impairment loss allowance 31/12/2019 €
Balances not impaired	0,0459	146.855.828	67.409	0,0372	170.488.502	63.423
1 to 90 days	0,3811	61.724.721	235.233	0,3090	25.430.790	78.592
91 to 180 days	1,0865	8.190.959	88.995	0,8809	5.976.827	52.647
More than 180 days	5,3831	3.937.320	211.950	4,3643	3.896.737	170.064
		<u>220.708.828</u>	<u>603.587</u>		<u>205.792.856</u>	<u>364.726</u>

THE COMPANY

	Weighted-aver age loss rate 30/09/2020 %	Gross carrying amount 30/09/2020 €	Impairment loss allowance 30/09/2020 €	Weighted-aver age loss rate 31/12/2019 %	Gross carrying amount 31/12/2019 €	Impairment loss allowance 31/12/2019 €
Balances not impaired	0,0108	3.695.232	398	0,0022	9.161.460	204
1 to 90 days	0,0879	4.263.714	3.748	0,0179	1.089.887	195
91 to 180 days	0,7953	250.133	1.989	0,1620	220.944	358
More than 180 days	0,4615	160.129	739	0,0940	124.429	117
		<u>8.369.208</u>	<u>6.874</u>		<u>10.596.720</u>	<u>874</u>

14.2 Interest rate risk

Interest rate risk is the risk of fluctuations in the value of financial instruments due to movements in market interest rates. Income and cash flows from operations of the Group and the Company are dependent on changes of market interest rates, since the Group and the Company have material assets which bear interest. The Group and the Company are exposed to interest rate risk on borrowings. Borrowing in variable interest rates exposes the Group and the Company in interest rate risk that affects cash flows. Borrowing in fixed interest rates exposes the Group and the Company in interest rate risk that affects the fair value. The management of the Group and the Company is monitoring the fluctuations of interest rates on an ongoing basis and ensures that the necessary actions are taken.

The interest rate risk was not affected by the Coronavirus pandemic.

14.3 Foreign exchange risk

This risk arises from adverse movements in foreign exchange rates.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

14. RISK MANAGEMENT *(continued)*

The Company and the Group are subject to foreign exchange risk on sales, purchases and loans in currencies other than the Company's and subsidiary companies functional currency, and on the long term loans to foreign subsidiaries. Management is aware of foreign exchange risk and is examining alternative methods to hedge the risk.

The foreign exchange risk was not affected by the Coronavirus pandemic.

The hedging of foreign exchange risk is managed by the Group Financial Controller together with the Executive Directors. This issue is discussed and examined at Board of Directors meetings because the Company is materially affected from the movements in foreign currencies against the Euro.

Until today, the hedging methods that have been used against foreign exchange risk are the following:

1. Natural Hedging. The Company maintains to the maximum possible degree, assets (investments in foreign subsidiaries) and liabilities (bank overdrafts, short and long term loans) at the same currency, mainly the USD. In this way any gain or loss in assets is hedged by the corresponding loss or gain in liabilities.
2. The percentage of sales in foreign currency on total turnover, is approximately the same with the percentage of bank borrowing in foreign currency in relation to the total borrowings of the Group.
3. The bank borrowing is usually made in the currency that the suppliers invoice the Company.
4. In cases of projects where total cost of completion of the project is known from the time of the validation of the tender, then forward contracts are used, for the period required to complete the project, for the specific amount in foreign currency that the Company will be invoiced.
5. In addition, the Company enters into forward exchange contracts based on turnover at regular intervals e.g. weekly, for covering the payments to suppliers based on the credit period that they give to the Company. This way the purchase of foreign currency for payments to suppliers in future periods is secured with the receipts from trade receivables.

Hedging of net investment in foreign operation

The Group applies hedge accounting to decrease foreign exchange risk.

More specifically, the equity and long-term loans that are part of the net investment in subsidiaries Logicom FZE, Logicom Dubai LLC, Logicom (Middle East) SAL, Logicom Jordan LLC and Logicom Saudi Arabia LLC, where the functional currency is the U.S. Dollar are counterbalanced with the bank borrowings of the Group in U.S. Dollar. Hedging is determined on a quarterly basis and the amount is adjusted accordingly. The hedge effectiveness is assessed on the monthly basis and to the extent the hedging is ineffective the exchange differences are recognized in the statement of profit or loss and other comprehensive income.

On 30 September 2020 the amounts that were hedged were, USD 40.000.000 of net investment in the above foreign companies and USD 40.000.000 of bank borrowings.

14.4 Liquidity risk

Liquidity risk is the risk that arises when the expiry date of assets and liabilities does not concur. When expiries do not concur, the performance can increase but at the same time the risk for losses can also increase. The Group and the Company have procedures in place to minimize such losses, like retaining sufficient amounts in cash and other highly liquid assets and retaining sufficient amounts in secured credit facilities in order to cover liabilities when they fall due.

The liquidity risk has increased since the Coronavirus pandemic. As part of the efforts to restrain the impact of the pandemic on the cash flows, agreements were reached to extend the terms of payment with trade suppliers and facilities were granted to the Group's customers respectively.

The Management estimates that the ability of the Group to discount its trade receivables through the factoring agreement without recourse in Cyprus, Greece and the United Arab Emirates reduces even further the liquidity risk.

Bank loans and overdrafts of the Group and the Company are presented in note 12.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

14. RISK MANAGEMENT (continued)

14.4 Liquidity risk (continued)

THE GROUP

Liquidity Risk

	Balance	Cash outflows arising from contractual liabilities				
		6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	€	€	€	€	€	€
<u>30 September 2020</u>						
Long-term loans	19.021.192	2.688.404	1.752.976	3.510.987	8.683.298	2.385.527
Short term loans	38.741.571	38.741.571	-	-	-	-
Trade and other payables	194.724.803	183.092.331	-	-	44.307	11.588.165
Bank overdrafts	35.256.849	35.256.849	-	-	-	-
Provision for other liabilities	95.273	-	-	-	95.273	-
Promissory notes	694.989	694.989	-	-	-	-
Obligation under finance leases	<u>5.617.370</u>	<u>732.000</u>	<u>417.032</u>	<u>856.896</u>	<u>1.785.886</u>	<u>1.825.556</u>
	<u>294.152.047</u>	<u>261.206.144</u>	<u>2.170.008</u>	<u>4.367.883</u>	<u>10.608.764</u>	<u>15.799.248</u>
<u>31 December 2019</u>						
Long-term loans	25.048.466	4.184.491	4.105.325	3.506.154	9.290.056	3.962.440
Short term loans	66.551.100	66.551.100	-	-	-	-
Operating leases	1.773.275	1.773.275	-	-	-	-
Trade and other payables	138.197.922	119.430.198	7.329.684	-	-	11.438.040
Bank overdrafts	50.873.720	50.873.720	-	-	-	-
Provision for other liabilities	137.056	-	40.000	-	97.056	-
Promissory notes	130.549	130.549	-	-	-	-
Obligations under finance leases	<u>6.587.301</u>	<u>594.732</u>	<u>592.970</u>	<u>1.230.503</u>	<u>2.016.739</u>	<u>2.152.357</u>
	<u>289.299.389</u>	<u>243.538.065</u>	<u>12.067.979</u>	<u>4.736.657</u>	<u>11.403.851</u>	<u>17.552.837</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

14. RISK MANAGEMENT (continued)

14.4 Liquidity risk (continued)

THE COMPANY

Liquidity Risk

	Balance	Cash outflows arising from contractual liabilities				
		6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	€	€	€	€	€	€
<u>30 September 2020</u>						
Long-term loans	12.838.977	2.294.997	1.359.204	2.718.408	6.444.339	22.029
Short term loans	24.257.555	24.257.555	-	-	-	-
Trade and other payables	25.861.093	25.861.093	-	-	-	-
Bank overdrafts	24.058.418	24.058.418	-	-	-	-
Promissory notes	694.989	694.989	-	-	-	-
Obligations under finance leases	517.966	56.225	57.634	118.039	286.068	-
Contingent consideration	60.846.778	60.846.778	-	-	-	-
	<u>149.075.776</u>	<u>138.070.055</u>	<u>1.416.838</u>	<u>2.836.447</u>	<u>6.730.407</u>	<u>22.029</u>
<u>31 December 2019</u>						
Long-term loans	17.390.331	3.284.410	3.205.940	2.718.408	6.885.852	1.295.721
Short term loans	36.333.646	36.333.646	-	-	-	-
Trade and other payables	22.459.410	22.459.410	-	-	-	-
Bank overdrafts	30.258.843	30.258.843	-	-	-	-
Promissory notes	130.549	130.549	-	-	-	-
Obligations under finance leases	598.658	53.582	54.858	115.272	374.946	-
	<u>107.171.437</u>	<u>92.520.440</u>	<u>3.260.798</u>	<u>2.833.680</u>	<u>7.260.798</u>	<u>1.295.721</u>

14.5 Fair Value

Items of the assets and liabilities of the Group and the Company, as these are classified in amortised cost or fair value are presented below:

Assets and liabilities in amortised cost:

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

14. RISK MANAGEMENT (continued)

THE GROUP

	30 September 2020 €	31 December 2019 €
Trade and other receivables	258.551.254	233.829.294
Cash and cash equivalents	38.899.119	29.761.787
Right-of-use assets	5.606.359	6.644.304
Obligations under finance leases	(5.617.370)	(6.587.301)
Long-term loans	(19.021.192)	(25.048.466)
Short term loans	(38.741.571)	(66.551.100)
Bank overdrafts	(35.256.849)	(50.873.720)
Provision for other liabilities	(95.273)	(137.056)
Trade and other payables	(194.724.803)	(138.197.922)
Promissory notes	(694.989)	(130.549)
	<u>8.904.685</u>	<u>(17.290.729)</u>

THE COMPANY

	30 September 2020 €	31 December 2019 €
Long-term loans to subsidiary companies	28.793.222	29.048.640
Balances with subsidiary companies	18.896.217	37.921.188
Trade and other receivables	15.757.628	20.397.039
Cash and cash equivalents	4.655.118	2.141.917
Right-of-use assets	498.299	586.229
Obligations under finance leases	(517.966)	(598.658)
Long-term loans	(12.838.977)	(17.390.331)
Short term loans	(24.257.555)	(36.333.646)
Bank overdrafts	(24.058.418)	(30.258.843)
Trade and other payables	(25.861.093)	(22.459.410)
Promissory notes	(694.989)	(130.549)
	<u>(19.628.514)</u>	<u>(17.076.424)</u>

The fair values of the financial assets and liabilities of the Group and the Company are approximately the same as the amounts reported in the books at the end of year.

Assets and liabilities in fair value:

THE GROUP

	30 September 2020 €	31 December 2019 €
Investments at fair value through profit and loss	19.284	19.284
Investments at fair value through other comprehensive income	3.353.783	3.862.832
Land and buildings	18.794.016	19.020.405
Derivative financial instruments	(1.380.006)	(946.831)
	<u>20.787.077</u>	<u>21.955.690</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

14. RISK MANAGEMENT (continued)

THE COMPANY

	30 September 2020 €	31 December 2019 €
Investments at fair value through profit and loss	9.594	9.594
Land and buildings	3.340.643	3.441.484
Derivative financial instruments	(1.412.308)	(908.251)
	<u>1.937.929</u>	<u>2.542.827</u>

The table below analyses the financial assets carried at fair value, by the valuation method used to determine their value. The different levels have been defined as follows:

- Level 1: investments measured at fair value using quoted prices in active markets.
- Level 2: investments measured at fair value based on valuation models in which all significant inputs that significantly affect the fair value are based on observable market data.
- Level 3: investments measured at fair value based on valuation models in which all significant inputs that significantly affect the fair value are not based on observable market data.

THE GROUP

30 September 2020	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets and liabilities				
Investments at fair value through profit or loss	19.284	-	-	19.284
Investments at fair value through other comprehensive income	3.353.783	-	-	3.353.783
Land and buildings	-	-	18.794.016	18.794.016
Derivative financial instruments	-	(1.380.006)	-	(1.380.006)
Total	<u>3.373.067</u>	<u>(1.380.006)</u>	<u>18.794.016</u>	<u>20.787.077</u>
31 December 2019	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets and liabilities				
Investments at fair value through profit and loss	19.284	-	-	19.284
Investments at fair value through other comprehensive income	3.862.832	-	-	3.862.832
Land and buildings	-	-	19.020.405	19.020.405
Derivative financial instruments	-	(946.831)	-	(946.831)
Total	<u>3.882.116</u>	<u>(946.831)</u>	<u>19.020.405</u>	<u>21.955.690</u>

During both 2020 and 2019 there were no transfers between the two levels reported above.

The fair value of investments at fair value through profit and loss and through other comprehensive income is based on the stock exchange prices at the reporting date.

The determination of the fair value of the land and buildings is made with the assistance of independent qualified appraisers using various valuation methods and assumptions which are mainly based on the market conditions at each valuation date.

The determination of the fair value of the derivative financial instruments is based on monitoring tools of the active markets of foreign currencies.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

14. RISK MANAGEMENT (continued)

THE COMPANY

30 September 2020	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets and liabilities				
Investments at fair value through profit and loss	9.594	-	-	9.594
Land and buildings	-	-	3.340.643	3.340.643
Derivative financial instruments	-	(1.412.308)	-	(1.412.308)
Total	<u>9.594</u>	<u>(1.412.308)</u>	<u>3.340.643</u>	<u>1.937.929</u>
31 December 2019	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets and liabilities				
Investments at fair value through profit and loss	9.594	-	-	9.594
Land and buildings	-	-	3.441.484	3.441.484
Derivative financial instruments	-	(908.251)	-	(908.251)
Total	<u>9.594</u>	<u>(908.251)</u>	<u>3.441.484</u>	<u>2.542.827</u>

14.6 Capital Management

The management of the Group and the Company has as a principle the maintenance of a strong capital base for the support of the credibility and trust of the investors and creditors as well as the market as a whole. The Management monitors continuously the return on equity.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, minus cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

The Group's gearing ratio is calculated as follows:

	THE GROUP		THE COMPANY	
	Period ended 30 September 2020 €	31 December 2019 €	Period ended 30 September 2020 €	31 December 2019 €
Total borrowings	93.714.601	142.603.835	61.154.950	84.113.369
Less: Cash and cash equivalents (Note 10)	<u>(38.899.119)</u>	<u>(29.761.787)</u>	<u>(4.655.118)</u>	<u>(2.141.917)</u>
Net debt	54.815.482	112.842.048	56.499.832	81.971.452
Total equity	<u>170.302.992</u>	<u>160.955.373</u>	<u>38.354.554</u>	<u>42.940.703</u>
Gearing ratio	<u>0,32</u>	<u>0,70</u>	<u>1,47</u>	<u>1,91</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**15. DIRECTORS' INTEREST**

The percentage of the share capital of the Company that was held by each member of the Board of Directors, directly or indirectly, is as follows:

	30/09/2020 Fully paid Shares %	03/12/2020 Fully paid Shares %
Varnavas Irinarchos ¹	51,55	51,55
Takis Klerides ²	0,55	0,55
George Papaioannou ³	1,09	1,09
Nikos Michaelas	0,02	-
Anthoulis Papachristoforou	0,65	0,65
Anastasios Athanasiades	0,07	0,07
Andreas Constantinides	-	-
Christoforos Hadjikyprianou	-	-

- The indirect ownership of Mr. Varnavas Irinarchos on 3 December 2020 of 51,55% arises from the participation of the company Edcrane Ltd.
- The direct ownership of Mr. Takis Klerides as at 3 December 2020 is 0,26% and the indirect ownership which arises from the participation of his daughter Mrs. Pamela Klerides, is 0,27%.
- The direct ownership of Mr. George Papaioannou on 3 December 2020 is 1,0813% and the indirect ownership that arises from the participation of his son Mr. Christos Papaioannou is 0,0034% and of his son Mr. Alexandros Papaioannou is 0,0034%.

16. SHAREHOLDERS' INTEREST

The shareholders who held, directly or indirectly, more than 5% of the share capital of the Company were as follows:

	30/09/2020 %	03/12/2020 %
Varnavas Irinarchos ¹	51,55	51,55
Demetra Holdings Plc	10,28	10,28

- The indirect ownership of Mr. Varnavas Irinarchos on 3 December 2020 arises through the company Edcrane Ltd. The ultimate parent company of the Group is Takero Limited which holds 100% of Edcrane's Ltd shares.

17. DIRECTORS' CONTRACTS

No important contract exists or existed at the end of the financial year and at the date of issuing the financial statements in which the members of management, their spouses or their underage children have or had, direct or indirect significant interest, except from the employment contracts of Mr. Varnavas Irinarchos and Mr. Anthoulis Papachristoforou.

(1) Contract of Mr. Varnavas Irinarchos, Managing Director

Employment contract as Managing Director of the Company for two years from 1 January 2005, with annual salary (13 months) of €93.973 which will be increasing at a proportion equal to the annual rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4% over his last salary, whichever is higher. For 2019 the annual salary of the Managing Director was €151.200. The Company will also pay annually (12 months) for entertainment expenses an amount of €25.629, that will be increasing in every following annual period at a proportion equal to the rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4%, whichever is higher. For 2019 the allowance for entertainment expenses amounted to €25.000. In addition, the Company provides to the Director an appropriate vehicle and covers all related expenses.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

17. DIRECTORS' CONTRACTS *(continued)*

The contract was renewed for one year from 1 January 2020, with an annual salary (13 months) of €151.200.

The Company will also pay annually (12 months), for entertainment expenses the amount of €25.000.

Mr. Varnavas Irinarchos is committed not to form, assist or take part in any way in the incorporation of a company or business, which performs operations similar or competitive to the operations of the Company during his employment and for at least five years after his departure from the Company. Mr. Varnavas Irinarchos accepts that this constraint is by no means in contrast with the general principle of Restraint of Trade, and that it is considered reasonable as the employee benefited from the bonus issue of shares during the listing of the Company in the CSE.

(2) Contract of Mr. Anthoulis Papachristoforou, Group Financial Controller

In 2019 the annual salary of Mr. Anthoulis Papachristoforou amounted to €151.050 and the allowance for entertainment expenses amounted to €24.000. The remuneration of Mr. Anthoulis Papachristoforou for 2020 will be the same as 2019.

18. CONTINGENCIES AND LITIGATIONS

The most important guarantees are as follows:

- (1) The Company has provided a bank guarantee of up to USD 3.600.000 (€3.074.821) to a foreign supplier for providing a trading credit facility. This guarantee is valid from 18 August 2020 until 18 February 2021.
- (2) The Company has provided a second bank guarantee of up to USD 400.000 (€341.647) to a second foreign supplier for providing a trading credit facility. This guarantee is valid from 18 August 2020 until 18 August 2021.
- (3) The Company has provided a third bank guarantee of up to EUR 1.500.000 to a third foreign supplier for providing a trading credit facility. This guarantee is valid from 12 August 2019 until 11 August 2020. The guarantee has been renewed until 11 February 2021.
- (4) The Company has provided a fourth bank guarantee of up to EUR450.000 to a fourth foreign supplier for providing a trading facility. This guarantee is valid from 12 August 2019 until 11 August 2020. The guarantee has been renewed until 11 August 2021.
- (5) The Company has provided a fifth bank guarantee of up to USD 800.000 (€683.293) to a fifth supplier for providing a trading facility. This guarantee expired on 12 April 2020 and was renewed until 12 April 2021.
- (6) The Company has provided a sixth bank guarantee of up to USD 300.00 (€256.235) to a sixth foreign supplier for providing a trading facility. This guarantee is valid from 12 September 2019 until 11 September 2020. The Company negotiates the renewal of the guarantee with a reduced amount with the supplier. The negotiation is still in progress.
- (7) The Company has provided a seventh bank guarantee of up to USD 500.000 (€427.058) to a seventh foreign supplier for providing a trading facility. This guarantee is valid from 12 September 2019 until 11 September 2020. The Company negotiates the renewal of the guarantee with a reduced amount with the supplier. The negotiation is still in progress.
- (8) The Company has provided an eighth guarantee of up to USD 2.000.000 (€1.708.234) to an eighth foreign supplier for providing a trading facility. The guarantee is valid from 16 April 2020 until 15 April 2021.
- (9) Group companies have provided bank guarantees in order to participate in governmental and private sector projects.
- (10) Verendrya Ventures Ltd committed not request repayment of the loan receivable from M.N. Larnaca Desalination Co. Ltd for the following 12 months or until it becomes possible without affecting the company's ability to continue to operate as a going concern.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

18. CONTINGENCIES AND LITIGATIONS *(continued)*

(11) The Company committed to provide financial and other assistance to Verendrya Ventures Ltd, to the extent of its participation in the company, which will enable it to continue its activities and meets its obligation as they fall due. As part of the financial assistance provided, the Company has also committed not to claim repayment of the amounts due from Verendrya Ventures Ltd, until the company has the necessary liquidity.

In December 2018, the subsidiary company Logicom Saudi Arabia LLC in Saudi Arabia, received notice of Zakat and Income tax assessments from the General Authority of Zakat and Tax ("GAZT") relating to the years 2010 - 2014. The total amount of additional tax and Zakat is €2,4m (SAR10,3 m), plus additional penalties that will be calculated when the tax is settled. In February 2019 the company has filed an objection in response to the claim and in September 2019 received a negative response. In November 2019 the Company contacted the General Secretariat of Tax Affairs ('GSTC') and expects a response on this matter. At this stage the company is of the view that any amount of payable in the form of charges or penalties is not probable and as a result no provision was made.

The company has submitted the Zakat and Income tax forms up to 2019 and is expecting the assessment of the local authorities.

Apart from the tax liabilities that have already been accounted for in the consolidated financial statements based on the existing information, it is possible that additional tax liabilities may arise during the examination of the tax and other affairs of the companies of the Group.

19. RELATED PARTY TRANSACTIONS

i. Transactions and balances between Group Companies

The companies of the Group sell and buy goods and services according to their needs from other Group companies. Transactions are made in the context of commercial practices related to intragroup transactions in the relevant operating activities. When necessary, Logicom Public Limited charges every year its subsidiary companies with a fee for administration services.

The sales made by Logicom Public Ltd to its subsidiary companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
Logicom Solutions Limited	1.732.137	1.237.848
Newcytech Business Solutions Ltd	3.426.250	3.615.345
ENET Solutions Logicom S.A.	8.648.537	6.492.333
Logicom Jordan LLC	1.972.551	1.317.509
Logicom (Middle East) SAL	(203.301)	120.244
Logicom FZE	23.919	969
Logicom Italia s.r.l.	44.514	24.633
Logicom Information Technology Distribution s.r.l.	4.445.085	4.398.439
Logicom Saudi Arabia LLC	<u>35.582</u>	<u>20.085</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**19. RELATED PARTY TRANSACTIONS** *(continued)*

The balances between Logicom Public Ltd and its subsidiary companies in the books of the parent company were as follows:

Long-term loans to subsidiary companies:

	Period ended 30 September 2020	31 December 2019
	€	€
ENET Solutions Logicom S.A.	2.188.247	2.280.577
Logicom (Middle East) SAL	4.079.518	4.251.647
Logicom FZE	2.532.115	2.638.953
Logicom Jordan LLC	2.610.266	2.720.402
Verendrya Ventures Ltd	<u>17.383.075</u>	<u>17.157.061</u>
	<u><u>28.793.221</u></u>	<u><u>29.048.640</u></u>

There is no written agreement between the parent and the subsidiary companies, regarding the long term loans receivable from the subsidiary companies. The loans bear no interest and there is no fixed repayment date. The loans are recognised according to the provisions of IAS 21.

The long term loan with the subsidiary company Verendrya Ventures Limited, relates to a contract for the financing of the operations of the desalination units in Larnaka and Episkopi. The loan bears an annual interest of 1,75% (2019: 1,75%) and has no fixed repayment date.

Taking into consideration the expected future cash flows of the subsidiary company, which consists of the expected future cash flows of the desalination company in Larnaca as well as those of the company that has undertaken the same project of the desalination unit in Limassol no impairment has been recognised for the loan with the subsidiary company Verendrya Ventures Limited. The determination of the expected future cash flows is based on estimates, judgements and assumptions that were applied by the management of Verendrya Ventures Limited.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2020

19. RELATED PARTY TRANSACTIONS (continued)

Balances with subsidiary companies

	Nature of transactions	30 September 2020 €	31 December 2019 €
		Debit/ (Credit)	Debit/ (Credit)
Logicom (Overseas) Limited	Other	(283.848)	(307.442)
Netcom Limited	Other	129.534	123.908
Logicom Solutions Limited	Trading	1.613.111	(697.054)
Logicom Services Ltd	Financing	22.990.642	21.256.111
ENET Solutions Logicom S.A.	Trading	(765.298)	(3.976.879)
Newcytech Business Solutions Ltd	Trading	893.905	1.767.387
ICT Logicom Solutions SA	Other	(194.989)	(194.989)
Logicom Jordan LLC	Trading	(2.657.874)	2.179.644
Logicom (Middle East) SAL	Trading/Financing	1.418.655	1.755.557
Logicom FZE	Trading/Financing	(20.301.597)	(18.418.786)
Logicom Dubai LLC	Trading/Financing	(11.763.398)	(12.259.735)
Logicom Italia s.r.l.	Trading/Financing	2.852.860	3.875.332
Logicom Saudi Arabia LLC	Trading/Financing	13.086.763	29.808.620
Logicom Information Technology Distribution s.r.l.	Trading	8.403.841	9.700.202
Logicom Trading & Distribution LLC	Trading	3.390.723	4.750.248
Logicom Distribution Germany GmbH	Other	(405.129)	(505.921)
Najada Holdings Limited	Financing	930.780	291.761
Logicom Kuwait for Computer Company W.L.L	Trading	772.512	-
Enet Solutions LLC	Other	86.864	90.529
Logicom Egypt LLC	Other	2.263	688
Verendrya Ventures Ltd	Financing	120.429	106.539
		20.320.749	39.345.720
Αναμενόμενες πιστωτικές ζημιές		(1.424.532)	(1.424.532)
		<u>18.896.217</u>	<u>37.921.188</u>

The above balances are repayable according to the nature of each transaction.

Balances with joint ventures

	30 September 2020 €	31 December 2019 €
	Debit/ (Credit)	Debit/ (Credit)
M.N. E.P.C Water Co.	350	(350)
M.N. Limassol Water Co. Ltd	946	105
	<u>1.296</u>	<u>(245)</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**19. RELATED PARTY TRANSACTIONS** *(continued)*

The sales made by Logicom FZE to Group companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
Logicom Public Limited	7.923	84.653
Logicom Jordan LLC	1.081.730	1.068.391
Logicom (Middle East) SAL	481.786	1.615.777
Logicom Dubai LLC	68.996.158	83.619.746
Logicom Saudi Arabia LLC	9.185.857	8.368.719
Logicom Kuwait for Computer Company W.L.L	8.542.619	6.260.705
Logicom Trading & Distribution LLC	3.937.256	3.464.182
Logicom LLC	9.551.749	2.198.634
Logicom Bahrain W.L.L	1.127.215	303.679
ENET Solutions Logicom S.A.	<u>-</u>	<u>1.157</u>

The sales made by Logicom (Middle East) SAL to Group companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
Logicom FZE	533.863	13.236
Logicom Kuwait for Computer Company W.L.L	-	7.433
Logicom Saudi Arabia LLC	<u>306</u>	<u>-</u>

The sales made by Logicom Dubai LLC to Group companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
Newcytech Business Solutions Ltd	-	3.422
Logicom Bahrain W.L.L	<u>-</u>	<u>6.712</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**19. RELATED PARTY TRANSACTIONS** *(continued)*

The sales made by ENET Solutions Logicom S.A. to Group companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
Logicom Public Limited	4.593.940	5.655.303
ICT Logicom Solutions SA	6.012	204.663
Logicom Information Technology Distribution s.r.l.	355.381	185.387
Logicom Solutions Limited	6.090	384
Logicom LLC	13.171	-
Logicom Italia s.r.l.	-	424
Logicom FZE	-	654
Newcytech Business Solutions Ltd	-	(2.800)

The sales made by Logicom Solutions Ltd to Group companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
Logicom Public Limited	41.932	46.532
Newcytech Business Solutions Ltd	190.130	111.443
ICT Logicom Solutions SA	631.252	1.889.345

The sales made by Logicom IT Distribution s.r.l. to Group companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
Logicom Public Limited	-	(1.644)
ENET Solutions Logicom S.A.	49.689	47.751
Logicom Solutions Limited	190	-

The sales made by Logicom Saudi Arabia LLC to Group companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
Logicom FZE	5.387	-
Logicom (Middle East) SAL	-	4.365

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**19. RELATED PARTY TRANSACTIONS** *(continued)*

The sales made by Newcytech Business Solutions Limited to Group companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
Logicom Public Limited	10.514	7.258
Logicom Solutions Limited	233.503	188.356
Newcytech Distribution Ltd	<u>71.793</u>	<u>194.671</u>

The sales made by Logicom IT Distribution Limited to Group companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
ENET Solutions Logicom S.A.	<u>-</u>	<u>82.544</u>

The sales made by ICT Logicom Solutions S.A. to Group companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
Logicom Solutions Limited	<u>38.627</u>	<u>323.052</u>

The sales made by Logicom Distribution Germany GmbH to Group companies were as follows:

Sales

	Period ended 30 September 2020	Period ended 30 September 2019
	€	€
Logicom Italia s.r.l.	<u>116.112</u>	<u>161.511</u>

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**19. RELATED PARTY TRANSACTIONS** *(continued)*

The balances between Group companies and the parent Company are stated below:

Balances with related companies

	Nature of transactions	Period ended 30 September 2020 €	31 December 2019 €
		Debit/ (Credit)	Debit/ (Credit)
Logicom (Overseas) Limited	Other	283.848	307.442
Netcom Limited	Other	(129.534)	(123.908)
Logicom Solutions Limited	Trading	(1.613.111)	697.054
Logicom Services Ltd	Financing	(22.990.642)	(21.256.111)
Newcytech Business Solutions Ltd	Trading	(893.905)	(1.767.387)
ENET Solutions Logicom S.A.	Trading/Financing	(1.422.950)	1.696.302
ICT Logicom Solutions SA	Other	194.989	194.989
Logicom Jordan LLC	Trading	47.607	(4.900.046)
Logicom (Middle East) SAL	Trading/Financing	(5.498.174)	(6.007.204)
Logicom FZE	Trading/Financing	17.769.482	15.779.833
Logicom Dubai LLC	Trading/Financing	11.763.398	12.259.735
Logicom Italia s.r.l.	Trading/Financing	(2.852.860)	(3.875.332)
Logicom Saudi Arabia LLC	Trading/Financing	(13.086.763)	(29.808.620)
Logicom Information Technology Distribution s.r.l.	Trading	(8.403.841)	(9.700.202)
Logicom Trading & Distribution LLC	Trading	(3.390.723)	(4.750.248)
Logicom Distribution Germany GmbH	Other	405.129	505.921
Najada Holdings Limited	Financing	(930.780)	(291.761)
Enet Solutions LLC	Other	(86.864)	(90.529)
Logicom Kuwait for Computer Company W.L.L	Trading	(772.512)	-
Logicom Egypt LLC	Other	(2.263)	(688)
Verendrya Ventures Ltd	Financing	<u>(17.503.504)</u>	<u>(17.263.600)</u>

During the year the companies of the Group paid dividends to the Company, as follow:

Dividend for 2020:

	Period ended 30 September 2020 €	Period ended 30 September 2019 €
Logicom Services Ltd	<u>3.600.000</u>	<u>-</u>

ii. Transactions and balances between related parties

There were no significant transactions and balances with related parties, including the Directors, during the period ended 30 September 2020.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2020**20. BALANCES WITH ASSOCIATED COMPANIES AND JOINT VENTURES**

The balances with joint ventures relate to financing for the construction, maintenance and operation of the desalination plants in Cyprus through the subsidiary Verendrya Ventures Limited.

The balances with joint ventures are as follows:

Balances with joint ventures

	Period ended 30 September 2020	31 December 2019
	€	€
M.N Larnaca Desalination Co. Limited	10.509.809	10.724.152
M.N. Limassol Water Co. Limited	<u>12.311.608</u>	<u>11.930.375</u>
	<u>22.821.417</u>	<u>22.654.527</u>
Expected credit losses	<u>(490.902)</u>	<u>(492.928)</u>
	<u>22.330.515</u>	<u>22.161.599</u>

The amounts receivable from joint ventures are presented after the deduction of the accumulated impairments and loss in addition to the value of the investment. The net value of the balances as at 31 December 2019 is considered recoverable based on the expected discounted future cash flows from these companies. As mentioned in note 20, for the calculation of the expected future cash flows of the company estimates, assumptions, judgements and evidence which include the legal opinion in relation to the validity of claims in favor and against the company and an opinion from its consultants in respect of the level of compensation that the company is expected to be entitled to, have been made. The Group considers that there were no evidence for impairment of the amount receivable from joint venture M.N. Limassol Water Co. Limited.

The loan with M.N. Limassol Water Co. Ltd is non-current, bearing interest of 4,5% per annum and does not have a specified repayment date. The M.N. Larnaca Desalination Co. Ltd is non-current, interest free and has no specified repayment date.

Interest receivable for the nine month period of 2020 amounts to €376.690 (2019: €501.796).

The balances with the joint ventures, relate to a loan that the subsidiary Verendrya Ventures Limited entered into with Demetra Holdings Plc in relation to the latter's participation in the desalination plants in Episkopi and Larnaca.

The balances with associated companies were as follows:

Balances with associated companies

	Period ended 30 September 2020	31 December 2019
	€	€
	Credit	Credit
Demetra Holdings Plc	<u>11.588.165</u>	<u>11.438.040</u>

The long term loan of the subsidiary company Verendrya Ventures Limited, with Demetra Holdings Plc, relates to the financing of the desalination projects in Larnaca and Limassol. The loan bears an interest rate of 1,75% (2019: 1,75%) per annum and does not have a specified repayment date.

LOGICOM PUBLIC LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Period ended 30 September 2020

21. EVENTS AFTER THE REPORTING PERIOD

The economic impact of a possible resurgence of the Coronavirus pandemic (COVID-19) on the global economy and in the overall business activities cannot be assessed with reasonable certainty at this stage, due to the high level of uncertainty resulting from the inability to predict the outcome reliably.

The Management will continue to monitor the situation and will assess the need for actions in the event that the disruption period is extended.

There were no other significant events after the reporting date other than the above that have a bearing on the understanding of the condensed interim consolidated financial statements.